

# SOI BULLETIN

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The *Statistics of Income (SOI) Bulletin* is issued quarterly by the Statistics of Income Division of the Internal Revenue Service. The report provides the earliest published annual financial statistics obtained from the various types of tax and information returns filed, as well as information from periodic or special analytical studies of particular interest to students of the U.S. tax system, tax policymakers, and tax administrators. Selected historical and other data tables, previously published in every issue of the *SOI Bulletin*, now are published only in the spring issue of the *Bulletin*. These tables are also available on SOI's pages of the IRS Web site ([www.irs.gov/taxstats](http://www.irs.gov/taxstats)).

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# Inside this Issue

## Individual Income Tax Returns, Preliminary Data, 2009

by Michael Parisi

For Tax Year 2009, taxpayers filed 140.5 million U.S. individual income tax returns, a decrease of 1.3 percent since 2008. Similar to Tax Year 2008, adjusted gross income (AGI) and several other notable items showed a decline for Tax Year 2009. AGI decreased by 6.9 percent to \$7.6 trillion for 2009. Between Tax Years 2008 and 2009, taxable income decreased 9.3 percent to \$5.1 trillion; total income tax decreased by 15.4 percent to \$0.9 trillion; and total tax liability fell by 15 percent to \$0.9 trillion. Along with the decreases in income and other taxes, the alternative minimum tax decreased for the first time since Tax Year 2001. The alternative minimum tax decreased 9.1 percent to \$20.2 billion for 2009.

## Individual Income Tax Rates and Shares, 2008

by Kyle Mudry

Taxpayers filed 142.5 million returns for Tax Year 2008. Of those, 90.7 million (or 63.6 percent) were classified as taxable returns. This represents the lowest percentage in more than 23 years. A taxable return is a return that has total income tax greater than \$0. The number of taxable returns was 5.8 percent lower than for 2007. Adjusted gross income (AGI) on these taxable returns decreased 6.1 percent to \$7,583 billion for 2008, while total income tax decreased 7.5 percent to \$1,032 billion. The average tax rate for taxable returns decreased 0.2 percentage points to 13.6 percent.

The top 1 percent of taxpayers, those with AGI of at least \$380,354, accounted for 20 percent of AGI for 2008. This represents a decrease in income share of 2.8 percentage points from the previous year, when the cutoff for this group was \$410,096. These taxpayers accounted for 38 percent of the total income tax reported, a decrease from 40.4 percent in 2007. The top 5 percent of taxpayers accounted for 34.7 percent of AGI and 58.7 percent of total income tax. To be included in the top 5 percent, a taxpayer must have reported AGI of at least \$159,619, whereas, in 2007, the cutoff for this group was \$160,041.

## Individual Noncash Contributions, 2008

by Pearson Liddell and Janette Wilson

For Tax Year 2008, 23.0 million individual taxpayers who itemized deductions reported \$40.4 billion in deductions for noncash charitable contributions. Of those taxpayers, 7 million reported \$34.6 billion in deductions for charitable contributions on Form 8283, *Noncash Charitable Contributions*. The number of taxpayers filing Form 8283 increased slightly, by 1.2 percent, from 6.9 million in Tax Year 2007, while the amount of donations decreased 34.5 percent from \$52.8 billion in 2007. Between Tax Years 2007 and 2008, corporate stock donations declined 48 percent, from \$23.7 billion to \$12.3 billion. Despite the decline in corporate stock donations since Tax Year 2007, those donations accounted for the largest percentage (35.7 percent) of total noncash donations, followed by clothing donations of \$7.9 billion and household item donations of \$3.1 billion, representing 22.9 percent and 9.1 percent respectively.

## Split-Interest Trusts, Filing Year 2009

by Lisa Schreiber Rosenmerkel

In 2009, some 122,535 *Split-Interest Trust Information Returns* (Form 5227) were filed for charitable remainder trusts, charitable lead trusts, and pooled income funds. In total, split-interest trust filers reported \$12.3 billion in gross income and \$114.9 billion in end-of-year assets. They reported approximately \$2.5 billion in charitable distributions and \$6.6 billion in noncharitable distributions. Split-interest trusts received more than \$4.2 billion in asset contributions throughout the year.

## Tax-Exempt Bonds, 2008

by Aaron Barnes

More than 24,000 tax-exempt governmental bonds were issued in Calendar Year 2008, raising \$334.4 billion in proceeds for public projects such as schools, transportation infrastructure, and utilities. Of the \$271.7 billion of long-term governmental bonds issued, \$153.8 billion of proceeds were used to finance new projects. The remaining \$117.9 billion in proceeds refunded prior governmental bond issues.

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More than 3,400 tax-exempt private activity bonds were issued in 2008, for a total \$135 billion in proceeds. These tax-exempt private activity bond proceeds financed qualified private facilities such as residential rental facilities, single-family housing, and airports, as well as Internal Revenue Code section 501(c)(3) organizations like hospitals and private universities. Of the \$132.8 billion of long-term private activity bonds issued, \$52.5 billion in proceeds were used to finance new projects. The remaining \$80.3 billion of proceeds refunded prior tax-exempt private activity bond issues.

### Unrelated Business Income Tax Returns, 2007

by *Jael Jackson*

Between Tax Years 2006 and 2007, gross unrelated business income, the total of all unrelated business income prior to deductions, reported by tax-exempt organizations increased 4 percent. The \$11.7 billion in gross unrelated business income reported for Tax Year 2007 was then offset by \$10.3 billion in deductions. The resulting net unrelated business taxable income, reported as unrelated business income (less deficit), which totaled \$1.4 billion for Tax Year 2007, was 11 percent higher than reported in the previous tax year.

### Domestic Private Foundations, Tax Years 2003–2007

by *Cynthia Belmonte and Melissa Ludlum*

Tax Years 2003 through 2007 represented a period of both growth and consistency for private foundations. The number of private foundations that filed Form 990-PF increased 10.8 percent between Tax Years 2003 and 2007. By the end of the period, the aggregate fair market value of total assets held by private foundations had grown, in real terms, by 21.7 percent, while disbursements for charitable purposes made by these organizations increased, in real terms, by 40.2 percent. Private foundations provided approximately \$163.7 billion in contributions, gifts, and grants to charitable initiatives during these tax years.

While foundations disbursed a larger amount of charitable dollars for Tax Year 2007 than they did

for Tax Year 2003, the components of disbursements for charitable purposes were remarkably consistent throughout the period. Nearly 90 percent of qualifying distributions were made in the form of contributions, gifts, and grants for every year in the 5-year period. The percentage of disbursements for charitable purposes directed toward operating and administrative expenses was consistently between 7.2 and 9.1 percent throughout the period. Additionally, median payout rates were between 5.4 and 5.9 percent for all of Tax Years 2003 through 2007, although median payout rates were generally higher for small foundations than for their larger counterparts.

### Controlled Foreign Corporations, 2006

by *Lee Mahony and Randy Miller*

For Tax Year 2006, 78,249 foreign corporations controlled by U.S. multinational corporations held \$11.7 trillion in assets and reported receipts of \$4.8 trillion. These controlled foreign corporations (CFCs) paid \$98.6 billion in income taxes on \$509.5 billion of earnings and profits (less deficit) before income taxes (“E&P”). Both CFC assets and receipts increased by nearly 27 percent from Tax Year 2004, while “E&P” and foreign taxes paid increased by slightly more than 40 percent.

For Tax Year 2006, 78,249 CFCs were incorporated in 187 different countries (based on unpublished data). More than 43 percent, or 34,158, of these CFCs were incorporated in Europe. Slightly more than 91 percent of these European CFCs were located in European Union countries.

More than 78 percent, or 61,147, of CFCs for Tax Year 2006 were concentrated in three major industrial sectors: (1) goods production; (2) distribution and transportation of goods; and (3) services. These three industrial sectors accounted for 82.3 percent of total receipts (\$4.0 trillion), 67.2 percent of “E&P” (\$342.3 billion), and 59.6 percent of income taxes (\$58.8 billion).

For Tax Year 2006, controlled foreign corporations were tax owners of 13,755 foreign disregarded entities (FDEs). These FDEs reported nearly \$3.6 trillion in assets and \$107.2 billion in E&P (less deficit) after income taxes.

### In the Next Issue

The following articles or data releases are tentatively planned for inclusion in the spring 2011 issue of the *Statistics of Income Bulletin*, scheduled to be published in May 2011:

- High-income individual income tax returns, Tax Year 2008;
- Gift tax returns, 2008;
- International boycott reports, Tax Years 2007 and 2008;
- Foreign person's U.S.-source income subject to withholding, Tax Year 2008;
- Individual income tax returns by age of taxpayer, Tax Years 1997 and 2007; and
- Individual income tax returns, by State, Tax Year 2007.

# Individual Income Tax Returns, Preliminary Data, 2009

by Michael Parisi

**F**or Tax Year 2009, taxpayers filed 140.5 million U.S. individual income tax returns, a decrease of 1.3 percent from the 142.4 million returns filed for 2008. Similar to Tax Year 2008, adjusted gross income (AGI) and several other notable items showed a decline for Tax Year 2009. AGI decreased by 6.9 percent to \$7.6 trillion for 2009. Between Tax Years 2008 and 2009, taxable income decreased 9.3 percent to \$5.1 trillion; total income tax decreased by 15.4 percent to \$0.9 trillion; and total tax liability fell by 15.0 percent to \$0.9 trillion. Along with the decreases in income and other taxes, the alternative minimum tax decreased for the first time since Tax Year 2001. The alternative minimum tax decreased 9.1 percent to \$20.2 billion for 2009.

Figure A shows some of the key components that contributed to the decline in AGI from 2008. The largest component of AGI, salaries and wages, declined 3.7 percent from \$6,022.5 billion in 2008 to \$5,797.1 billion in 2009. Net capital gain decreased 46.1 percent from \$446.6 billion in 2008 to \$240.5 billion in 2009, and capital gain distributions (part of net capital gains) decreased 89.7 percent to \$2.3 billion. Decreases in income associated with businesses were reported for Tax Year 2009 by partnerships and S corporations (-8.7 percent), business or profession (-4.2 percent), and farms (-1.9 percent). Reductions in income from partnerships and S corporations and business or profession contributed to a 9.1-percent and a 4.0-percent decrease in net income less losses from 2008 for each group, respectively. New in 2009, a taxpayer did not have to report as income the first \$2,400 of unemployment compensation per recipient. Amounts greater than \$2,400 were still taxable. This change should be noted when comparing unemployment compensation for 2009 to previous years. For 2009, 11.4 million returns (a 19.0-percent increase from 2008) reported a total of \$84.1 billion in taxable unemployment compensation. This represents a 91.5-percent increase from 2008. Another component of AGI, ordinary dividends, decreased 25.5 percent to \$147.1 billion. Of this dividend total, 76.5 percent were reported as qualified dividends. Qualified dividends, which receive preferential tax rates, were reported on 25.4 million returns and to-

taled \$112.6 billion, a decrease of 22.3 percent from 2008. Taxable interest decreased by 24.8 percent to \$148.3 billion in 2009.

Some components of AGI showed increases, including the second largest component of AGI, taxable pension and annuities, which increased 3.1 percent from \$515.0 billion for Tax Year 2008 to \$531.1 billion for 2009. Another item related to retirement, taxable social security benefits, rose by 3.8 percent from 2008 to 2009. However, taxable Individual Retirement Arrangements (IRAs) declined by 16.9 percent from 2008 levels to \$133.0 billion.

Statutory adjustments to total income decreased 5.9 percent to \$109.0 billion for Tax Year 2009. The largest statutory adjustment was the deduction for one-half of self-employment tax, representing 20.4 percent of the total. This adjustment to income decreased 1.6 percent to \$22.2 billion. Payments to self-employed retirement (Keogh) plans fell 5.4 percent to \$17.5 billion, while payments to IRAs decreased 3.5 percent to \$11.5 billion. The deduction for tuition and fees fell 50.7 percent to \$5.4 billion. This large decrease was due, in part, to the creation of the American Opportunity credit, a new education credit that expanded the income limits for eligibility for an education credit and was partially refundable (See Changes in Law section). A taxpayer was not able to take both an education credit and tuition and fees deduction for the same student. A couple of adjustments that increased from 2008 levels were the deductions for self-employment health insurance and interest on student loans. The self-employment health insurance deduction increased 3.7 percent to \$20.0 billion. The deduction for student loan interest increased 8.2 percent to \$8.4 billion. The aggregate amount deducted for total exemptions increased by 5.0 percent, from \$983.3 billion for 2008 to \$1,032.9 billion for 2009.

Total deductions, the sum of the standard deductions and total itemized deductions (after limitation), decreased 2.1 percent from Tax Year 2008 to \$1,918.3 billion in Tax Year 2009. The number of returns claiming the standard deduction increased 0.6 percent, accounting for 65.8 percent of all returns filed and 39.2 percent of the total deductions amount. New for 2009, the amount paid for new motor vehicle taxes could be added to the standard deduction (see Changes in Law section). This change is in addition to the 2008 law that allowed a taxpayer to in-

*Michael Parisi is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.*

# Individual Income Tax Returns, Preliminary Data, 2009

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**Figure A**

## Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2008 and 2009

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

| Item  | Number of returns  |                    |                   | Amount               |                      |                   |
|---|--------------------|--------------------|-------------------|----------------------|----------------------|-------------------|
|   | 2008               | 2009               | Percentage change | 2008                 | 2009                 | Percentage change |
|   | (1)                | (2)                | (3)               | (4)                  | (5)                  | (6)               |
| <b>Number of returns, total</b>   | <b>142,350,256</b> | <b>140,532,115</b> | <b>-1.3</b>       | <b>N/A</b>           | <b>N/A</b>           | <b>N/A</b>        |
| Form 1040 returns   | 83,884,991         | 83,829,478         | -0.1              | N/A                  | N/A                  | N/A               |
| Form 1040A returns  | 36,540,998         | 39,872,098         | 9.1               | N/A                  | N/A                  | N/A               |
| Form 1040EZ returns   | 21,924,264         | 16,830,540         | -23.2             | N/A                  | N/A                  | N/A               |
| Electronically-filed returns [1]  | 96,573,046         | 99,012,015         | 2.5               | N/A                  | N/A                  | N/A               |
| <b>Adjusted gross income (less deficit)</b>   | <b>142,350,256</b> | <b>140,532,115</b> | <b>-1.3</b>       | <b>8,213,442,867</b> | <b>7,648,676,270</b> | <b>-6.9</b>       |
| Salaries and wages  | 120,006,001        | 117,253,027        | -2.3              | 6,022,463,633        | 5,797,103,468        | -3.7              |
| Taxable interest  | 62,478,944         | 57,980,811         | -7.2              | 197,166,925          | 148,292,561          | -24.8             |
| Tax-exempt interest [2]   | 6,403,595          | 6,245,826          | -2.5              | 72,586,685           | 68,382,089           | -5.8              |
| Ordinary dividends  | 30,850,795         | 29,239,484         | -5.2              | 197,602,724          | 147,144,977          | -25.5             |
| Qualified dividends   | 26,234,679         | 25,397,334         | -3.2              | 144,840,020          | 112,590,344          | -22.3             |
| State income tax refunds  | 22,969,373         | 23,711,859         | 3.2               | 25,260,849           | 28,528,315           | 12.9              |
| Alimony received  | 435,376            | 431,210            | -1.0              | 8,254,879            | 8,356,158            | 1.2               |
| Business or profession net income   | 16,385,177         | 16,466,708         | 0.5               | 308,133,596          | 295,277,183          | -4.2              |
| Business or profession net loss   | 5,670,884          | 5,602,356          | -1.2              | 58,509,927           | 55,736,863           | -4.7              |
| Business or profession net income less loss   | 22,056,061         | 22,069,063         | 0.1               | 249,623,669          | 239,540,320          | -4.0              |
| Net capital gain [3]  | 11,187,343         | 6,578,169          | -41.2             | 446,595,066          | 240,530,591          | -46.1             |
| Capital gain distributions [3]  | 11,538,101         | 4,170,541          | -63.9             | 21,972,213           | 2,263,502            | -89.7             |
| Net capital loss  | 12,301,042         | 13,523,710         | 9.9               | 28,417,726           | 31,919,981           | 12.3              |
| Sales of property other than capital assets net gain  | 744,331            | 640,855            | -13.9             | 10,436,594           | 8,083,053            | -22.6             |
| Sales of property other than capital assets net loss  | 865,098            | 1,023,768          | 18.3              | 17,807,063           | 25,263,769           | 41.9              |
| Sales of property other than capital assets net gain less loss                                  | 1,609,429          | 1,664,623          | 3.4               | -7,370,469           | -17,180,716          | -133.1            |
| Taxable Individual Retirement Arrangement distributions   | 11,316,651         | 9,676,851          | -14.5             | 160,022,157          | 132,979,694          | -16.9             |
| Taxable pensions and annuities  | 25,856,207         | 26,342,262         | 1.9               | 515,035,286          | 531,132,961          | 3.1               |
| Rent and royalty net income   | 5,978,139          | 5,972,666          | -0.1              | 92,793,355           | 82,400,420           | -11.2             |
| Rent and royalty net loss   | 5,540,151          | 5,596,584          | 1.0               | 63,632,958           | 62,929,530           | -1.1              |
| Rent and royalty net income less loss   | 9,925,815          | 9,960,334          | 0.3               | 29,160,397           | 19,470,890           | -33.2             |
| Partnership and S corporation net income  | 4,517,758          | 4,527,501          | 0.2               | 468,560,093          | 427,916,480          | -8.7              |
| Partnership and S corporation net loss  | 2,626,223          | 2,747,604          | 4.6               | 135,082,672          | 124,855,093          | -7.6              |
| Partnership and S corporation net income less loss  | 7,143,981          | 7,275,104          | 1.8               | 333,477,421          | 303,061,388          | -9.1              |
| Estate and trust net income   | 520,680            | 559,126            | 7.4               | 17,056,025           | 18,798,329           | 10.2              |
| Estate and trust net loss   | 40,464             | 43,984             | 8.7               | 2,511,370            | 2,029,490            | -19.2             |
| Estate and trust net income less loss   | 561,144            | 603,110            | 7.5               | 14,544,655           | 16,768,839           | 15.3              |
| Farm net income   | 567,581            | 535,257            | -5.7              | 13,114,524           | 12,869,592           | -1.9              |
| Farm net loss   | 1,391,073          | 1,395,882          | 0.3               | 25,894,327           | 25,591,776           | -1.2              |
| Unemployment compensation [4]   | 9,597,502          | 11,420,821         | 19.0              | 43,911,028           | 84,092,522           | 91.5              |
| Taxable Social Security benefits  | 15,145,770         | 15,436,014         | 1.9               | 169,670,897          | 176,122,458          | 3.8               |
| <b>Total statutory adjustments</b>  | <b>35,563,477</b>  | <b>34,628,460</b>  | <b>-2.6</b>       | <b>115,901,028</b>   | <b>109,015,422</b>   | <b>-5.9</b>       |
| Educator expenses   | 3,796,150          | 3,893,414          | 2.6               | 957,289              | 983,216              | 2.7               |
| Certain business expenses of reservists, performing artists, and fee-basis government officials | 129,293            | 144,058            | 11.4              | 414,943              | 576,694              | 39.0              |
| Payments to an Individual Retirement Arrangement  | 2,783,721          | 2,637,211          | -5.3              | 11,905,552           | 11,493,415           | -3.5              |
| Student loan interest deduction   | 9,185,924          | 9,800,217          | 6.7               | 7,761,966            | 8,397,082            | 8.2               |
| Tuition and fees deduction  | 4,588,503          | 2,425,639          | -47.1             | 11,031,337           | 5,439,714            | -50.7             |
| Health savings account deduction  | 810,279            | 925,786            | 14.3              | 2,129,150            | 2,492,032            | 17.0              |
| Moving expenses adjustment  | 1,112,592          | 859,324            | -22.8             | 2,995,993            | 2,074,641            | -30.8             |

Footnotes at end of figure.

# Individual Income Tax Returns, Preliminary Data, 2009

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**Figure A—Continued**

## Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2008 and 2009—Continued

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

| Item   | Number of returns  |                    |                   | Amount               |                      |                   |
|--|--------------------|--------------------|-------------------|----------------------|----------------------|-------------------|
|  | 2008               | 2009               | Percentage change | 2008                 | 2009                 | Percentage change |
|  | (1)                | (2)                | (3)               | (4)                  | (5)                  | (6)               |
| Self-employment tax deduction  | 17,211,728         | 17,236,650         | 0.1               | 22,588,905           | 22,217,200           | -1.6              |
| Self-employed health insurance deduction   | 3,361,579          | 3,409,010          | 1.4               | 19,257,165           | 19,963,550           | 3.7               |
| Payments to a self-employed retirement (Keogh) plan  | 965,847            | 884,799            | -8.4              | 18,499,501           | 17,501,797           | -5.4              |
| Penalty on early withdrawal of savings   | 1,298,035          | 1,192,925          | -8.1              | 371,912              | 1,495,136            | 302.0             |
| Alimony paid   | 572,761            | 559,753            | -2.3              | 9,313,168            | 9,249,622            | -0.7              |
| Domestic production activities deduction   | 478,111            | 463,430            | -3.1              | 6,959,041            | 5,714,609            | -17.9             |
| Other adjustments [5]  | 150,914            | 160,749            | 6.5               | 1,585,910            | 1,248,821            | -21.3             |
| <b>Total exemptions [6]</b>  | <b>283,544,734</b> | <b>285,222,318</b> | <b>0.6</b>        | <b>983,256,537</b>   | <b>1,032,899,119</b> | <b>5.0</b>        |
| <b>Total deductions</b>  | <b>139,976,603</b> | <b>140,532,115</b> | <b>0.4</b>        | <b>1,960,087,456</b> | <b>1,918,264,196</b> | <b>-2.1</b>       |
| Total standard deduction   | 91,975,024         | 92,518,891         | 0.6               | 699,190,365          | 752,398,173          | 7.6               |
| Basic standard deduction   | 91,975,024         | 92,518,891         | 0.6               | 666,727,034          | 713,501,506          | 7.0               |
| Additional standard deduction  | 12,660,440         | 12,852,556         | 1.5               | 20,184,197           | 21,451,410           | 6.3               |
| Increase in standard deduction for real estate taxes, new motor vehicle taxes, or net disaster loss: [7] | 16,113,620         | 16,535,316         | 2.6               | 12,279,139           | 13,396,796           | 9.1               |
| <b>Total itemized deductions (after limitation)</b>  | <b>48,001,579</b>  | <b>45,640,583</b>  | <b>-4.9</b>       | <b>1,260,897,091</b> | <b>1,165,866,022</b> | <b>-7.5</b>       |
| Itemized deductions in excess of limitation  | 6,769,863          | 5,743,008          | -15.2             | 16,849,836           | 12,127,117           | -28.0             |
| Medical and dental expenses deduction  | 10,091,166         | 10,016,840         | -0.7              | 74,530,672           | 78,489,285           | 5.3               |
| Taxes paid deduction   | 47,683,306         | 45,381,987         | -4.8              | 447,682,524          | 421,930,827          | -5.8              |
| State and local income taxes [8]   | 46,320,617         | 43,998,291         | -5.0              | 272,394,387          | 244,564,731          | -10.2             |
| Income taxes   | 35,520,687         | 33,963,074         | -4.4              | 254,836,486          | 229,290,638          | -10.0             |
| General sales taxes  | 10,799,930         | 10,035,217         | -7.1              | 17,557,892           | 15,274,093           | -13.0             |
| Interest paid deduction  | 39,022,546         | 36,919,968         | -5.4              | 481,166,292          | 432,757,674          | -10.1             |
| Charitable contributions deduction   | 39,223,228         | 37,305,909         | -4.9              | 161,869,762          | 148,594,527          | -8.2              |
| <b>Taxable income</b>  | <b>108,090,446</b> | <b>104,354,180</b> | <b>-3.5</b>       | <b>5,629,893,896</b> | <b>5,107,861,921</b> | <b>-9.3</b>       |
| Alternative minimum tax  | 3,939,114          | 3,877,580          | -1.6              | 22,223,196           | 20,204,674           | -9.1              |
| <b>Income tax before credits</b>   | <b>107,317,835</b> | <b>103,719,284</b> | <b>-3.4</b>       | <b>1,099,247,705</b> | <b>978,255,840</b>   | <b>-11.0</b>      |
| <b>Total tax credits [9]</b>   | <b>55,271,787</b>  | <b>87,931,109</b>  | <b>59.1</b>       | <b>73,739,010</b>    | <b>110,207,348</b>   | <b>49.5</b>       |
| Child care credit  | 6,659,122          | 6,335,953          | -4.9              | 3,561,436            | 3,346,081            | -6.0              |
| Credit for the elderly or disabled   | 75,100             | 62,019             | -17.4             | 10,209               | 8,023                | -21.4             |
| Child tax credit   | 25,287,874         | 23,692,091         | -6.3              | 30,713,081           | 28,584,022           | -6.9              |
| Education tax credits  | 7,829,823          | 10,739,306         | 37.2              | 7,732,554            | 10,981,087           | 42.0              |
| Retirement savings contributions credit  | 6,043,397          | 6,351,030          | 5.1               | 993,687              | 1,058,651            | 6.5               |
| Adoption credit  | 89,134             | 81,430             | -8.6              | 354,490              | 280,603              | -20.8             |
| Residential energy credits   | 227,620            | 6,869,229          | 2,917.8           | 219,805              | 5,943,126            | 2,603.8           |
| Foreign tax credit   | 6,680,064          | 6,356,367          | -4.8              | 15,121,256           | 12,938,622           | -14.4             |
| General business credit  | 259,884            | 248,672            | -4.3              | 1,317,496            | 1,237,780            | -6.1              |
| Prior year minimum tax credit  | 397,357            | 298,910            | -24.8             | 976,587              | 730,408              | -25.2             |
| <b>Total Making work pay credit</b>  | <b>N/A</b>         | <b>101,758,158</b> | <b>N/A</b>        | <b>N/A</b>           | <b>51,099,849</b>    | <b>N/A</b>        |
| Making work pay credit used to offset income tax before credits  | N/A                | 68,995,598         | N/A               | N/A                  | 34,674,354           | N/A               |
| Making work pay credit used to offset other taxes  | N/A                | 8,852,516          | N/A               | N/A                  | 3,446,159            | N/A               |
| Making work pay refundable portion   | N/A                | 32,494,288         | N/A               | N/A                  | 12,979,336           | N/A               |
| <b>Total earned income credit (EIC)</b>  | <b>25,007,059</b>  | <b>27,388,200</b>  | <b>9.5</b>        | <b>51,596,164</b>    | <b>60,426,876</b>    | <b>17.1</b>       |
| EIC used to offset income tax before credits   | 3,391,970          | 1,494,322          | -55.9             | 978,766              | 492,308              | -49.7             |
| EIC used to offset other taxes   | 5,550,648          | 5,188,174          | -6.5              | 5,560,408            | 4,816,120            | -13.4             |
| Excess EIC refundable portion  | 22,053,777         | 25,345,868         | 14.9              | 45,056,991           | 55,118,448           | 22.3              |
| <b>Total refundable education credit</b>   | <b>N/A</b>         | <b>8,951,615</b>   | <b>N/A</b>        | <b>N/A</b>           | <b>7,711,336</b>     | <b>N/A</b>        |
| Refundable education credit used to offset income tax before credits                                     | N/A                | 4,448,852          | N/A               | N/A                  | 3,549,154            | N/A               |

Footnotes at end of figure.

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## Figure A—Continued

### Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2008 and 2009—Continued

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

| Item  | Number of returns |                   |                   | Amount               |                    |                   |
|---|-------------------|-------------------|-------------------|----------------------|--------------------|-------------------|
|   | 2008              | 2009              | Percentage change | 2008                 | 2009               | Percentage change |
|   | (1)               | (2)               | (3)               | (4)                  | (5)                | (6)               |
| Refundable education credit used to offset other taxes                            | N/A               | 385,926           | N/A               | N/A                  | 221,967            | N/A               |
| Refundable education credit refundable portion                                    | N/A               | 4,924,465         | N/A               | N/A                  | 3,940,214          | N/A               |
| <b>Total first-time homebuyer credit</b>  | <b>1,193,315</b>  | <b>1,371,959</b>  | <b>15.0</b>       | <b>8,301,644</b>     | <b>9,715,356</b>   | <b>17.0</b>       |
| First-time homebuyer credit used to offset income tax before credits              | 912,596           | 1,085,512         | 18.9              | 3,797,302            | 4,837,874          | 27.4              |
| First-time homebuyer credit used to offset other taxes                            | 149,469           | 169,320           | 13.3              | 162,653              | 217,777            | 33.9              |
| First-time homebuyer credit refundable portion                                    | 924,074           | 996,425           | 7.8               | 4,341,688            | 4,659,706          | 7.3               |
| <b>Total refundable prior year minimum tax credit</b>                             | <b>274,821</b>    | <b>226,506</b>    | <b>-17.6</b>      | <b>2,392,027</b>     | <b>2,211,594</b>   | <b>-7.5</b>       |
| Refundable prior year minimum tax credit used to offset income tax before credits | N/A               | 186,257           | N/A               | N/A                  | 865,920            | N/A               |
| Refundable prior year minimum tax credit used to offset other taxes               | N/A               | 9,751             | N/A               | N/A                  | 23,668             | N/A               |
| Refundable prior year minimum tax credit refundable portion                       | N/A               | 44,868            | N/A               | N/A                  | 1,322,006          | N/A               |
| Self-employment tax   | 17,211,728        | 17,236,650        | 0.1               | 45,169,679           | 44,425,902         | -1.6              |
| Additional child tax credit   | 18,300,462        | 21,539,362        | 17.7              | 20,511,290           | 27,744,075         | 35.3              |
| <b>Total income tax</b>   | <b>90,718,339</b> | <b>81,939,015</b> | <b>-9.7</b>       | <b>1,025,509,017</b> | <b>868,049,646</b> | <b>-15.4</b>      |
| <b>Total tax liability</b>  | <b>94,721,187</b> | <b>86,138,122</b> | <b>-9.1</b>       | <b>1,070,367,059</b> | <b>910,001,338</b> | <b>-15.0</b>      |

N/A—Not applicable.

[1] Included in data for Forms 1040, 1040A, and 1040EZ.

[2] Not included in adjusted gross income.

[3] Includes capital gain distributions reported on Form 1040 and Schedule D.

[4] For tax year 2009, taxpayers did not have to pay taxes on unemployment compensation up to \$2,400. Amounts of unemployment compensation over \$2,400 were taxable and are the amounts shown for TY 2009.

[5] Other adjustments does not include the foreign housing deduction or the medical savings account deduction.

[6] Data shown in columns 1 and 2 are the number of exemptions claimed on returns, rather than the number of returns with exemptions.

[7] New for tax year 2009, was an increase in standard deduction for state or local sales or excise taxes (or certain other taxes or fees for states without a sales tax) on the purchase of a new motor vehicle. This increase was not available in tax year 2008.

[8] State and local income taxes is the total of both income taxes and general sales taxes.

[9] Includes making work pay credit, EIC, first-time home buyer credit, and refundable prior year minimum tax credit used to offset income tax before credits, shown separately later in this figure.

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

crease his or her standard deduction for certain State and local real estate taxes and his or her net disaster loss. Due to inflation indexing and these additions to the standard deduction, the average standard deduction (comprised of the basic, additional standard deductions for age and blindness, and increased standard deduction for motor vehicle taxes, real estate taxes, and net disaster losses) increased 7.6 percent, from \$7,602 for 2008 to \$8,132 for 2009. Itemized deductions were claimed on 32.5 percent of all returns filed for 2008 and represented 60.8 percent of the total deductions amount.<sup>1</sup> The average total for itemized deductions (after limitation) was \$25,545, a 2.8-percent decrease from the 2008 average of \$26,268. Due to the AGI limitation on itemized de-

ductions, 5.7 million higher-income taxpayers were unable to deduct \$12.1 billion in itemized deductions, a decrease of 28.0 percent from 2008. Overall, 45.6 million taxpayers (4.9 percent less than in 2008) claimed total itemized deductions (after limitation) of \$1,165.9 billion. This represented 7.5 percent less than what was reported in 2008. The interest paid deduction was the largest deduction, comprising 36.7 percent of total itemized deductions (before limitation). For 2009, it decreased 10.1 percent to \$432.8 billion. For 2009, an estimated 10.0 million taxpayers elected to deduct State and local general sales taxes instead of local income taxes. Including taxpayers who deducted State and local sales taxes, there was a 5.0-percent reduction in the number of

<sup>1</sup> The remaining 1.7 percent of returns did not need to claim either a standard deduction or itemized deduction, because no AGI was reported.

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taxpayers who took a deduction for State and local income and sales taxes and a 10.2-percent reduction in the total amount of this deduction from 2008 levels. The total taxes paid deduction accounted for 35.8 percent of all itemized deductions and decreased 5.8 percent to \$421.9 billion. The deduction for medical and dental expenses increased 5.3 percent to \$78.5 billion, while the charitable contributions deduction decreased 8.2 percent to \$148.6 billion in 2009.

Total tax credits used to offset income tax liabilities increased 49.5 percent to \$110.2 billion. Much of this increase was due to the introduction of the making work pay credit in 2009. Included in the making work pay credit was the government retiree credit. Taxpayers were able to take the making work pay credit, which equaled 6.2 percent of their earned income up to \$400 (\$800, if married filing jointly). The making work pay (and government retiree) credit was claimed by 101.8 million taxpayers. This resulted in \$51.1 billion in credits, of which \$34.7 billion was credited against income tax for these taxpayers (see Changes in Law section for further details).

Law changes affected several other credits, as well. About 23.7 million taxpayers claimed \$28.6 billion in child tax credits, down 6.9 percent from 2008. However, the additional child tax credit (a refundable credit) increased by 35.3 percent to \$27.7 billion in 2009. This increase was partially due to the credit limit increase from 15 percent of a taxpayer's earned income that exceeded \$8,500 in 2008 to 15 percent of a taxpayer's earned income that exceeded \$3,000 in 2009. In sum, total child tax credits (non-refundable and refundable) increased by 10.0 percent for 2009. Another notable change was a 42.0-percent rise in the education credits to \$11.0 billion. This large increase was mostly due to the creation of the American Opportunity credit, a modification of the Hope credit, for 2009. The maximum credit per student was increased from \$1,800 to \$2,500 (100 percent of the first \$2,000 and 25 percent of the next \$2,000 of qualified education expenses). Also, the income limitations were increased (see Changes in Law section for details). The credit was available for the first 4 years of postsecondary education, and 40% of the credit (up to \$1,000) was refundable. The total refundable education credit was taken by 9.0 million taxpayers and totaled \$7.7 billion.

Residential energy credits experienced the largest percentage increase among credits. This increase

was caused by reinstating the nonbusiness energy property credit for qualified property placed in service after 2008, which expired in Tax Year 2008. A taxpayer was able to take a credit of 30 percent of the costs paid or incurred in 2009 for any qualified energy efficient improvements and any residential energy property. The credit was capped at \$1,500. The credit was not available for nonbusiness property in 2008. For 2009, residential energy credits of \$5.9 billion were taken by 6.9 million taxpayers. For Tax Year 2009, a taxpayer could have claimed the first-time homebuyer credit if he or she bought a home after 2008 and before October 1, 2010 (if the taxpayer entered a written binding contract before May 1, 2010), and did not own a home during the prior 3 years. The first-time homebuyer credit was claimed by 1.4 million taxpayers, an increase of 15.0 percent from 2008. The credit totaled \$9.7 billion for 2009, up 17.0 percent from \$8.3 billion in 2008. Taxpayers who purchased a home after filing their 2009 returns may have filed amended returns to claim the credit. However, in this article, the data for the first-time homebuyer credit do not include data from amended returns or any adjustments made to this credit by the IRS. Credits that decreased in 2009 included the foreign tax credit (down 14.4 percent), the child care credit (down 6.0 percent), and the general business credit (down 6.1 percent).

For 2009, the earned income credit (EIC) increased by 17.1 percent to \$60.4 billion. The EIC eligibility limits on the amounts of earned income and investment income increased in 2009. New for 2009, the EIC increased for taxpayers with three or more children. The portion of the EIC used to offset income tax before credits decreased 49.7 percent to \$0.5 billion, and the portion of the EIC used to offset other taxes (such as the self-employment tax) fell 13.4 percent to \$4.8 billion. The largest part of the EIC, the refundable portion, was paid directly to taxpayers who had no tax liability against which to apply the credit. The refundable portion of the EIC increased 22.3 percent to \$55.1 billion for 2009. Taxpayers received a total of \$105.8 billion of refundable credits for 2009, almost equal to the \$110.2 billion in total tax credits used against income tax.

In this article, the comparisons of data for Tax Years 2008 and 2009 are based on preliminary estimates. Even though final estimates for Tax Year 2008 are available, comparing preliminary estimates for Tax Year 2009 to final estimates may yield mis-

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leading results, because preliminary estimates tend to be underestimated. Comparisons based entirely on preliminary estimates reduce the likelihood of misinterpretation of the data and afford a more accurate representation of year-to-year changes. Final statistics for Tax Year 2008 are available in the fall 2010 issue of the *SOI Bulletin* and *Statistics of Income—2008, Individual Income Tax Return*.

## Changes in Law

In general, the definitions used in this article are the same as those in *Statistics of Income—2008, Individual Income Tax Returns*. The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the Tax Year 2009 preliminary data presented in this article.

**Additional child tax credits**—In Tax Year 2008, the credit limit based on earned income was 15 percent of a taxpayer's earned income that exceeded \$8,500. For 2009, the limit was 15 percent of a taxpayer's earned income that exceeded \$3,000.

**Alternative minimum tax (AMT)**—For Tax Year 2009, the minimum exemption increased from \$69,950 to \$70,950 for a married couple filing a joint return, and from \$46,200 to \$46,700 for singles and heads of household, and from \$34,975 to \$35,475 for a married person filing separately.

**American Opportunity credit**—This was a new education credit (a modification of the Hope credit) available for 2009. The maximum credit per student was \$2,500 (100 percent of the first \$2,000 and 25 percent of the next \$2,000 of qualified education expenses). The credit was available for the first 4 years of postsecondary education and 40 percent of the credit (up to \$1,000) was refundable. The amount of the credit was phased out if the taxpayer's modified AGI was between \$80,000 and \$90,000 (\$160,000 and \$180,000, if married filing jointly). The credit could not be taken if the taxpayer's modified AGI was \$90,000 or more (\$180,000, if married filing jointly). Previously, for 2008, the maximum Hope credit per student was \$1,800, and the maximum Lifetime Learning Credit was \$2,000 (except if the student attended an institution located in a Midwestern disaster area). For both of these credits, the amount of the credit was phased out if the taxpayer's modified AGI was between \$48,000 and \$58,000 (\$96,000 and \$116,000, if married filing jointly). The credit could not be taken if the taxpayer's modi-

fied AGI was \$58,000 or more (\$116,000, if married filing jointly).

**Earned income credit**—The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. For 2009, the EIC increased for taxpayers with three or more children. Previously, the highest credit was limited to taxpayers with two or more children. The maximum credit for taxpayers with three or more qualifying children was \$5,657. For these taxpayers, earned income and AGI had to be less than \$43,279 (\$48,279, if married filing jointly) to be eligible for the EIC. The maximum credit for taxpayers with no qualifying children increased to \$457 from \$438. For these taxpayers, earned income and AGI had to be less than \$13,440 (\$18,440, if married filing jointly) to be eligible for the EIC. For taxpayers with one qualifying child, the maximum credit increased from \$2,917 to \$3,043 and, for taxpayers with two qualifying children, the maximum credit increased from \$4,824 to \$5,028. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than \$35,463 (\$40,463 for married filing jointly) for one qualifying child, or less than \$40,295 (\$45,295 for married filing jointly) for two qualifying children. The maximum amount of investment income (interest, dividends, and capital gain income) a taxpayer could have and still claim the credit increased from \$2,950 to \$3,100.

**Exemption amount**—For Tax Year 2009, the exemption amount increased by \$150 to \$3,650. Taxpayers could have lost a portion of exemption benefits if their AGI was above certain amounts (\$125,100 for married persons filing separately, \$166,800 for single individuals, \$208,500 for heads of household, and \$250,200 for married persons filing jointly or qualifying widow(er)s). For 2008 and 2009, a taxpayer could lose no more than one-third of the dollar amount of each exemption, meaning that the amount of each exemption could not be reduced to less than \$2,433. For 2006 and 2007, a taxpayer could lose no more than two-thirds of the dollar amount of each exemption. For 2005 and previous years, exemption amounts could be limited to zero.

**First-time homebuyer credit**—For Tax Year 2009, a taxpayer may have claimed this credit (up to \$8,000, or \$4,000, if married filing separately) if he or she bought a home after 2008, and before October

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1, 2010 (if the taxpayer entered a written binding contract before May 1, 2010), and did not own a main home during the prior 3 years. Taxpayers were only allowed to claim this credit in Tax Year 2009 if their modified AGI was below \$95,000 (\$170,000, if married filing jointly), and they purchased the home before November 7, 2009. If the home was purchased after November 6, 2009, this income limit was increased to \$145,000 (\$245,000, if married filing jointly). For homes purchased in 2009 or 2010, taxpayers had to repay the credit only if the home ceases to be their main home within a 36-month period beginning on the purchase date.

*Government retiree credit*—Taxpayers were eligible for this new credit if they received a pension or annuity payment in 2009 for service performed for the Federal, State, or local government and the service was not covered by social security. The credit was \$250 (\$500, if married filing jointly, and both the taxpayer and spouse received qualifying pensions or annuities). A taxpayer could not take the credit if he or she already received a \$250 economic recovery payment (or, in the case of joint returns, where both received \$250 payments) in 2009. The credit reduced the making work pay credit. The credit was taken on an estimated 806,000 returns totaling \$226.1 million.

*Indexing*—The following items increased due to indexing for inflation: personal exemption amounts, basic standard deduction amounts, tax bracket boundaries, beginning income amounts for limiting certain itemized deductions, and for the reduction of personal exemption deductions. The maximum amount of earnings subject to self-employment tax increased based on the percentage change in average covered earnings.

*Individual Retirement Arrangement deduction*—The phase-out range for IRA deductions for those covered by a retirement plan began at AGI of \$89,000, if married filing jointly or a qualifying window(er), up from \$85,000 in 2008. The phaseout was \$55,000 for a single person or head of household, up from \$53,000 in 2008 and at \$0 for a married person filing a separate return. A taxpayer may have been able to deduct an additional \$3,000 if he or she were a participant in a 401(k) plan and his or her employer was in bankruptcy in an earlier year.

*Limit on itemized deductions increased*—Taxpayers who had AGI above \$166,800 (\$83,400, if

married filing separately) could have lost part of their deduction for itemized deductions. This was an increase from 2008 amounts of \$159,950 (\$79,975, if married filing separately). For Tax Years 2008 and 2009, the amount by which the deduction was reduced was one-third of the amount of the reduction that would have otherwise applied (for 2005 and previous years). For Tax Years 2006 and 2007, the amount by which the deduction was reduced was only two-thirds of the amount of the reduction that would have otherwise applied.

*Making work pay credit*—Taxpayers were able to take a credit equal to 6.2 percent of their earned income up to \$400 (\$800, if married filing jointly) if his or her had earned income from work and were not a dependent on another tax return. A taxpayer could not take the credit if his or her modified AGI was greater than or equal to \$95,000 (\$190,000, if married filing jointly). The credit phased out between \$75,000 and \$95,000 (\$150,000 and \$190,000, if married filing jointly). The credit was reduced if the taxpayer received a \$250 economic recovery payment in 2009 or took the government retiree credit.

*Motor vehicles tax deduction*—New for 2009, a taxpayer could have deducted any State or local sales or excise taxes on the purchase of a new motor vehicle. In States without a sales tax, the taxpayer may have been able to deduct other taxes or fees. The motor vehicle must have been purchased after February 16, 2009, and the amount the taxpayer could include for State or local sales and excise taxes was limited to the taxes imposed on the first \$49,500 of the purchase price. Taxpayers were allowed to take this deduction if their AGI was less than \$135,000 (\$260,000, if married filing jointly). The deduction of the taxes was taken on Schedule A, if the taxpayer itemized. If the taxpayer did not itemize, the taxes increased the taxpayer's standard deduction using Schedule L, *Standard Deduction for Certain Filers*. The deduction was taken on an estimated 3.7 million returns for a total of \$5.5 billion.

*Residential energy credits*—For 2009, the non-business energy property credit was reinstated for qualified property placed in service after 2008. A taxpayer was able to take a credit of 30 percent of the costs paid or incurred in 2009 for qualified energy efficient improvements and residential energy property. The credit was limited to a total of \$1,500. The credit was not available for nonbusiness prop-

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erty in 2008. There was also a credit for residential energy efficient property credit in 2009. For 2009, the annual maximum credit limits were eliminated for qualified solar, small wind energy, and geothermal heat pump property costs. A taxpayer could have taken a credit of 30 percent of their costs of qualified solar-electric property, solar water-heating property, small wind-energy property, and geothermal heat-pump property.

*Standard deduction amount increased*—The standard deduction for people who did not itemize deductions on Schedule A of Form 1040 was, in most cases, higher for 2009 than it was in 2008. The amount depended on filing status, being 65 or older or blind, and whether an exemption could be claimed for a taxpayer by another person. For 2009, the standard deduction increased to \$11,400 for joint filers, up from \$10,900 in 2008. For single filers and married filing separate filers, the deduction amount increased to \$5,700. For heads of households, the deduction was \$8,350. In addition, the additional standard deduction for being 65 or older or blind was increased by \$50 to \$1,100 per taxpayer.

*Unemployment compensation*—For 2009, a taxpayer did not have to pay taxes on the first \$2,400 of unemployment compensation received per recipient. Amounts greater than \$2,400 were still taxable.

## Data Sources and Limitations

The preliminary statistics in this data release are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ including electronically filed returns) filed during Calendar Year 2010. Returns in the sample were stratified based on:

(1) the larger of positive income or negative income; (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for Treasury Department tax-modeling purposes.<sup>2</sup> Returns were then selected at rates ranging from 0.1 percent to 100 percent. The preliminary Tax Year 2009 data are based on a sample of 230,520 returns and an estimated final population of 140,599,263 returns. The corresponding sample and population for the preliminary 2008 data were 256,033 and 142,466,099 returns, respectively.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CVs) are used to measure that magnitude. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in SOI Sampling Methodology and Data Limitations later in this issue of the *Bulletin*.

While the preliminary estimates are intended to represent a full year of taxpayer reporting, they are actually based on returns processed for tax administration purposes, in the case of 2009 returns, between January and late September of 2010. In general, returns processed during the remainder of each year tend to have somewhat different characteristics compared to returns processed earlier. These characteristics include, for example, disproportionately large amounts of investment income, passive losses, and alternative minimum tax.

<sup>2</sup> Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss from Farming*.

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**Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income**

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

| Item   | All returns          | Size of adjusted gross income |                         |                         |                          |                           |                           |                      |
|--|----------------------|-------------------------------|-------------------------|-------------------------|--------------------------|---------------------------|---------------------------|----------------------|
|  |                      | Under \$15,000 [1]            | \$15,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$250,000 | \$250,000 or more    |
|  | (1)                  | (2)                           | (3)                     | (4)                     | (5)                      | (6)                       | (7)                       | (8)                  |
| <b>Number of returns, total</b>                        | <b>140,532,115</b>   | <b>37,430,398</b>             | <b>30,159,234</b>       | <b>25,183,542</b>       | <b>30,268,566</b>        | <b>13,550,244</b>         | <b>1,442,109</b>          | <b>2,498,021</b>     |
| Form 1040 returns                                      | 83,829,478           | 15,373,113                    | 12,176,454              | 14,625,434              | 24,478,653               | 13,235,693                | 1,442,109                 | 2,498,021            |
| Form 1040A returns                                     | 39,872,098           | 12,393,000                    | 13,961,185              | 8,238,770               | 4,978,197                | 300,948                   | 0                         | 0                    |
| Form 1040EZ returns                                    | 16,830,540           | 9,664,287                     | 4,021,597               | 2,319,337               | 811,715                  | 13,603                    | 0                         | 0                    |
| Electronically-filed returns [2]                       | 99,012,015           | 25,110,843                    | 22,042,531              | 18,273,495              | 21,493,858               | 9,548,129                 | 965,701                   | 1,577,458            |
| <b>Adjusted gross income (less deficit)</b>            | <b>7,648,676,270</b> | <b>106,375,907</b>            | <b>663,562,563</b>      | <b>983,479,617</b>      | <b>2,147,895,336</b>     | <b>1,805,900,040</b>      | <b>320,046,293</b>        | <b>1,621,416,514</b> |
| Salaries and wages:                                    |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 117,253,027          | 26,589,251                    | 25,332,735              | 22,307,960              | 26,987,550               | 12,471,037                | 1,329,616                 | 2,234,877            |
| Amount   | 5,797,103,468        | 222,268,243                   | 521,828,610             | 801,778,149             | 1,696,010,204            | 1,431,826,766             | 240,297,318               | 883,094,177          |
| Taxable interest:                                      |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 57,980,811           | 9,268,249                     | 7,575,955               | 9,351,252               | 17,578,030               | 10,582,642                | 1,276,193                 | 2,348,490            |
| Amount   | 148,292,561          | 15,793,973                    | 11,741,558              | 15,146,271              | 31,325,780               | 26,770,246                | 5,955,965                 | 41,558,769           |
| Tax-exempt interest: [3]                               |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 6,245,826            | 701,150                       | 536,641                 | 755,341                 | 1,602,249                | 1,435,368                 | 296,395                   | 918,681              |
| Amount   | 68,382,089           | 3,951,465                     | 3,090,349               | 4,434,377               | 12,489,564               | 12,559,564                | 3,359,730                 | 28,497,041           |
| Ordinary dividends:                                    |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 29,239,484           | 4,614,818                     | 3,259,482               | 3,868,918               | 8,394,319                | 6,233,881                 | 932,279                   | 1,935,788            |
| Amount   | 147,144,977          | 8,688,868                     | 7,003,334               | 9,218,677               | 24,007,484               | 26,071,666                | 6,948,428                 | 65,206,522           |
| Qualified dividends:                                   |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 25,397,334           | 3,910,569                     | 2,734,289               | 3,318,390               | 7,220,926                | 5,544,347                 | 862,566                   | 1,806,249            |
| Amount   | 112,590,344          | 5,288,669                     | 4,181,748               | 5,866,597               | 16,828,379               | 19,572,986                | 5,506,785                 | 55,345,180           |
| State income tax refunds:                              |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 23,711,859           | 678,055                       | 1,513,765               | 3,679,405               | 9,855,268                | 6,534,328                 | 607,199                   | 843,841              |
| Amount   | 28,528,315           | 918,854                       | 911,229                 | 2,503,631               | 8,641,143                | 8,239,733                 | 1,223,671                 | 6,090,054            |
| Alimony received:                                      |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 431,210              | 63,165                        | 96,168                  | 118,463                 | 113,060                  | 33,348                    | 1,816                     | 5,192                |
| Amount   | 8,356,158            | 466,810                       | 1,024,754               | 1,718,605               | 2,719,280                | 1,596,904                 | 129,682                   | 700,123              |
| Business or profession net income:                     |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 16,466,708           | 5,608,854                     | 2,808,850               | 2,200,299               | 3,287,095                | 1,833,357                 | 245,911                   | 482,340              |
| Amount   | 295,277,183          | 41,774,365                    | 34,503,512              | 28,234,076              | 53,316,836               | 56,101,590                | 17,028,700                | 64,318,104           |
| Business or profession net loss:                       |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 5,602,356            | 1,082,312                     | 901,939                 | 974,842                 | 1,558,228                | 833,718                   | 93,103                    | 158,215              |
| Amount   | 55,736,863           | 21,260,274                    | 7,005,049               | 6,688,558               | 9,903,863                | 6,044,998                 | 964,986                   | 3,869,136            |
| Net capital gain: [4]                                  |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 6,578,169            | 838,456                       | 667,675                 | 791,801                 | 1,924,800                | 1,524,541                 | 248,452                   | 582,445              |
| Amount   | 240,530,591          | 9,748,563                     | 2,373,894               | 3,352,523               | 13,673,109               | 22,725,498                | 6,730,165                 | 181,926,838          |
| Capital gain distributions: [4]                        |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 4,170,541            | 580,245                       | 361,169                 | 485,083                 | 1,085,013                | 925,374                   | 174,825                   | 558,836              |
| Amount   | 2,263,502            | 218,490                       | 110,478                 | 136,653                 | 358,425                  | 379,282                   | 91,491                    | 968,687              |
| Net capital loss:                                      |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 13,523,710           | 2,581,224                     | 1,362,538               | 1,700,992               | 3,406,889                | 2,817,217                 | 511,526                   | 1,143,321            |
| Amount   | 31,919,981           | 6,119,759                     | 3,135,861               | 3,836,818               | 7,801,908                | 6,694,291                 | 1,273,889                 | 3,057,456            |
| Sales of property other than capital assets, net gain: |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 640,855              | 117,046                       | 64,714                  | 91,333                  | 150,606                  | 108,476                   | 23,511                    | 85,171               |
| Amount   | 8,083,053            | 1,312,994                     | 452,766                 | 539,511                 | 1,175,512                | 1,276,589                 | 300,737                   | 3,024,939            |
| Sales of property other than capital assets, net loss: |                      |                               |                         |                         |                          |                           |                           |                      |
| Number of returns                                      | 1,023,768            | 228,504                       | 85,707                  | 109,067                 | 207,629                  | 188,077                   | 34,292                    | 170,492              |
| Amount   | 25,263,769           | 16,586,170                    | 809,094                 | 1,315,498               | 1,725,973                | 1,965,849                 | 249,233                   | 2,611,951            |

Footnotes at end of table.

# Individual Income Tax Returns, Preliminary Data, 2009

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**Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

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

| Item  | All returns | Size of adjusted gross income |                         |                         |                          |                           |                           |                   |
|---|-------------|-------------------------------|-------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-------------------|
|   |             | Under \$15,000 [1]            | \$15,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$250,000 | \$250,000 or more |
|   | (1)         | (2)                           | (3)                     | (4)                     | (5)                      | (6)                       | (7)                       | (8)               |
| <b>Taxable Individual Retirement Arrangement distributions:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 9,676,851   | 1,598,951                     | 1,718,916               | 1,735,393               | 2,988,476                | 1,329,155                 | 122,811                   | 183,150           |
| Amount  | 132,979,694 | 8,430,648                     | 12,244,498              | 16,900,435              | 43,048,652               | 35,048,209                | 5,299,048                 | 12,008,206        |
| <b>Taxable pensions and annuities:</b>  |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 26,342,262  | 4,256,372                     | 4,920,627               | 4,855,950               | 7,825,188                | 3,664,395                 | 343,626                   | 476,107           |
| Amount  | 531,132,961 | 27,695,235                    | 58,297,448              | 82,195,029              | 192,414,492              | 129,930,113               | 15,686,645                | 24,913,999        |
| <b>Rent and royalty net income:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 5,972,666   | 896,217                       | 807,837                 | 882,594                 | 1,620,443                | 1,144,522                 | 172,351                   | 448,704           |
| Amount  | 82,400,420  | 7,107,007                     | 4,947,162               | 6,170,333               | 14,475,239               | 17,293,482                | 3,994,000                 | 28,413,198        |
| <b>Rent and royalty net loss:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 5,596,584   | 851,362                       | 674,147                 | 879,506                 | 1,826,969                | 1,022,634                 | 93,554                    | 248,413           |
| Amount  | 62,929,530  | 14,555,296                    | 5,774,217               | 8,147,782               | 17,181,780               | 10,152,410                | 1,255,499                 | 5,862,547         |
| <b>Partnership and S corporation net income:</b>  |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 4,527,501   | 378,384                       | 358,098                 | 459,423                 | 1,102,218                | 1,114,905                 | 262,555                   | 851,921           |
| Amount  | 427,916,480 | 4,882,055                     | 3,888,289               | 6,658,509               | 23,018,174               | 45,215,931                | 19,529,296                | 324,724,224       |
| <b>Partnership and S corporation net loss:</b>  |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 2,747,604   | 596,175                       | 265,965                 | 315,256                 | 694,711                  | 550,234                   | 85,421                    | 239,841           |
| Amount  | 124,855,093 | 82,577,454                    | 3,188,987               | 4,336,624               | 8,193,041                | 7,366,177                 | 1,949,659                 | 17,243,149        |
| <b>Estate and trust net income:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 559,126     | 55,527                        | 44,526                  | 75,612                  | 158,883                  | 143,650                   | 20,803                    | 60,126            |
| Amount  | 18,798,329  | 275,541                       | 223,241                 | 601,899                 | 1,839,038                | 2,972,736                 | 643,560                   | 12,242,313        |
| <b>Estate and trust net loss:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 43,984      | 7,918                         | 5,642                   | 5,840                   | 11,918                   | 6,327                     | 1,568                     | 4,772             |
| Amount  | 2,029,490   | 1,067,557                     | 9,926                   | 38,397                  | 62,487                   | 91,602                    | 8,061                     | 751,461           |
| <b>Farm net income:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 535,257     | 115,109                       | 72,445                  | 85,004                  | 158,601                  | 74,969                    | 8,957                     | 20,173            |
| Amount  | 12,869,592  | 997,054                       | 962,016                 | 1,300,339               | 3,479,287                | 3,237,659                 | 637,279                   | 2,255,954         |
| <b>Farm net loss:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 1,395,882   | 306,153                       | 185,016                 | 232,505                 | 404,592                  | 199,622                   | 21,107                    | 46,890            |
| Amount  | 25,591,776  | 9,228,214                     | 2,315,056               | 2,792,561               | 5,393,444                | 3,197,922                 | 440,296                   | 2,224,288         |
| <b>Unemployment compensation in excess of \$2,400 per recipient:</b>                                    |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 11,420,821  | 2,566,519                     | 3,317,607               | 2,133,600               | 2,427,230                | 842,768                   | 61,749                    | 71,350            |
| Amount  | 84,092,522  | 13,704,676                    | 26,774,693              | 16,777,517              | 18,702,224               | 7,025,336                 | 485,739                   | 622,340           |
| <b>Taxable Social Security benefits:</b>  |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 15,436,014  | 127,083                       | 3,073,748               | 3,916,897               | 5,656,448                | 2,097,360                 | 206,209                   | 358,265           |
| Amount  | 176,122,458 | 491,056                       | 6,628,058               | 27,642,594              | 86,628,263               | 41,815,884                | 4,551,065                 | 8,365,539         |
| <b>Total statutory adjustments:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 34,628,460  | 7,317,835                     | 5,253,735               | 5,812,622               | 9,492,347                | 5,134,715                 | 496,337                   | 1,120,869         |
| Amount  | 109,015,422 | 10,154,167                    | 8,793,638               | 12,553,039              | 23,347,135               | 22,592,650                | 5,528,053                 | 26,046,738        |
| <b>Educator expenses:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 3,893,414   | 123,961                       | 241,809                 | 676,996                 | 1,637,188                | 1,089,078                 | 63,883                    | 60,500            |
| Amount  | 983,216     | 26,279                        | 56,237                  | 160,017                 | 410,263                  | 298,422                   | 16,501                    | 15,494            |
| <b>Certain business expenses of reservists, performing artists, and fee-basis government officials:</b> |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 144,058     | 21,733                        | 17,497                  | 18,925                  | 47,606                   | 33,586                    | 1,548                     | 3,160             |
| Amount  | 576,694     | 124,151                       | 69,822                  | 136,751                 | 113,514                  | 114,937                   | 8,980                     | 8,539             |

Footnotes at end of table.

# Individual Income Tax Returns, Preliminary Data, 2009

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**Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

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

| Item  | All returns          | Size of adjusted gross income |                         |                         |                          |                           |                           |                    |
|---|----------------------|-------------------------------|-------------------------|-------------------------|--------------------------|---------------------------|---------------------------|--------------------|
|   |                      | Under \$15,000 [1]            | \$15,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$250,000 | \$250,000 or more  |
|   | (1)                  | (2)                           | (3)                     | (4)                     | (5)                      | (6)                       | (7)                       | (8)                |
| <b>Payments to an Individual Retirement Arrangement:</b>    |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 2,637,211            | 116,362                       | 307,085                 | 593,637                 | 987,400                  | 523,834                   | 38,101                    | 70,792             |
| Amount  | 11,493,415           | 379,410                       | 994,612                 | 2,152,630               | 4,230,746                | 2,749,023                 | 321,577                   | 665,419            |
| <b>Student loan interest deduction:</b>                     |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 9,800,217            | 909,294                       | 1,623,689               | 2,343,675               | 3,567,324                | 1,356,237                 | 0                         | 0                  |
| Amount  | 8,397,082            | 665,916                       | 1,316,062               | 2,002,910               | 3,204,968                | 1,207,227                 | 0                         | 0                  |
| <b>Tuition and fees deduction:</b>                          |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 2,425,639            | 680,389                       | 257,461                 | 272,089                 | 586,577                  | 629,122                   | 0                         | 0                  |
| Amount  | 5,439,714            | 1,941,613                     | 546,473                 | 576,015                 | 1,164,274                | 1,211,338                 | 0                         | 0                  |
| <b>Health savings account deduction:</b>                    |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 925,786              | 44,731                        | 83,777                  | 150,162                 | 291,810                  | 209,206                   | 36,144                    | 109,953            |
| Amount  | 2,492,032            | 122,934                       | 142,800                 | 275,402                 | 685,269                  | 601,890                   | 148,496                   | 515,239            |
| <b>Moving expenses adjustment:</b>                          |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 859,324              | 87,183                        | 177,327                 | 183,612                 | 237,880                  | 134,148                   | 14,332                    | 24,844             |
| Amount  | 2,074,641            | 177,874                       | 268,395                 | 332,507                 | 600,996                  | 480,108                   | 71,606                    | 143,154            |
| <b>Self-employment tax deduction:</b>                       |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 17,236,650           | 5,503,697                     | 2,836,835               | 2,252,324               | 3,533,490                | 2,038,506                 | 315,977                   | 755,824            |
| Amount  | 22,217,200           | 3,096,731                     | 2,655,679               | 2,393,075               | 4,692,903                | 4,369,520                 | 1,076,728                 | 3,932,565          |
| <b>Self-employed health insurance deduction:</b>            |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 3,409,010            | 592,610                       | 479,281                 | 490,181                 | 776,837                  | 576,242                   | 119,102                   | 374,758            |
| Amount  | 19,963,550           | 2,425,551                     | 2,000,328               | 2,189,539               | 4,163,563                | 4,206,331                 | 1,030,922                 | 3,947,318          |
| <b>Payments to a self-employed retirement (Keogh) plan:</b> |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 884,799              | 21,352                        | 27,864                  | 49,479                  | 154,646                  | 291,003                   | 85,127                    | 255,326            |
| Amount  | 17,501,797           | 136,343                       | 163,987                 | 351,223                 | 1,608,555                | 4,351,248                 | 2,011,741                 | 8,878,700          |
| <b>Penalty on early withdrawal of savings:</b>              |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 1,192,925            | 237,036                       | 181,649                 | 181,567                 | 343,168                  | 193,102                   | 19,623                    | 36,775             |
| Amount  | 1,495,136            | 59,339                        | 25,394                  | 1,246,396               | 91,661                   | 42,642                    | 10,530                    | 19,175             |
| <b>Alimony paid:</b>  |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 559,753              | 44,432                        | 40,097                  | 69,956                  | 189,131                  | 134,274                   | 24,683                    | 57,182             |
| Amount  | 9,249,622            | 664,750                       | 354,591                 | 527,470                 | 1,889,130                | 2,157,824                 | 604,412                   | 3,051,444          |
| <b>Domestic production activities deduction:</b>            |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 463,430              | 27,181                        | 30,251                  | 41,475                  | 101,523                  | 110,384                   | 30,339                    | 122,278            |
| Amount  | 5,714,609            | 177,574                       | 49,058                  | 72,331                  | 246,410                  | 485,401                   | 140,130                   | 4,543,704          |
| <b>Other adjustments [5]:</b>                               |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 160,749              | 17,850                        | 26,873                  | 29,579                  | 54,648                   | 22,650                    | 4,655                     | 4,494              |
| Amount  | 1,248,821            | 117,713                       | 127,122                 | 125,756                 | 222,592                  | 310,345                   | 84,847                    | 260,446            |
| <b>Total exemptions:</b>                                    |                      |                               |                         |                         |                          |                           |                           |                    |
| <b>Number of exemptions</b>                                 | <b>285,222,318</b>   | <b>50,893,986</b>             | <b>58,993,684</b>       | <b>51,710,688</b>       | <b>73,518,900</b>        | <b>38,434,682</b>         | <b>4,181,745</b>          | <b>7,488,632</b>   |
| <b>Amount</b>   | <b>1,032,899,119</b> | <b>185,280,202</b>            | <b>214,872,675</b>      | <b>188,493,758</b>      | <b>268,119,580</b>       | <b>140,111,252</b>        | <b>15,130,760</b>         | <b>20,890,894</b>  |
| <b>Total deductions:</b>                                    |                      |                               |                         |                         |                          |                           |                           |                    |
| <b>Number of returns</b>                                    | <b>140,532,115</b>   | <b>37,430,398</b>             | <b>30,159,234</b>       | <b>25,183,542</b>       | <b>30,268,566</b>        | <b>13,550,244</b>         | <b>1,442,109</b>          | <b>2,498,021</b>   |
| <b>Amount</b>   | <b>1,918,264,196</b> | <b>252,512,330</b>            | <b>271,010,364</b>      | <b>277,346,356</b>      | <b>486,434,166</b>       | <b>356,722,036</b>        | <b>57,619,630</b>         | <b>216,619,310</b> |
| <b>Total standard deduction:</b>                            |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 92,518,891           | 33,121,596                    | 26,186,211              | 17,575,489              | 13,375,220               | 2,093,997                 | 79,649                    | 86,727             |
| Amount  | 752,398,173          | 221,107,899                   | 209,065,958             | 152,580,380             | 142,660,782              | 25,058,739                | 948,107                   | 976,310            |
| <b>Basic standard deduction:</b>                            |                      |                               |                         |                         |                          |                           |                           |                    |
| Number of returns   | 92,518,891           | 33,121,596                    | 26,186,211              | 17,575,489              | 13,375,220               | 2,093,997                 | 79,649                    | 86,727             |
| Amount  | 713,501,506          | 212,286,952                   | 200,508,294             | 144,830,960             | 131,527,593              | 22,617,896                | 843,751                   | 886,055            |

Footnotes at end of table.

# Individual Income Tax Returns, Preliminary Data, 2009

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**Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

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

| Item  | All returns   | Size of adjusted gross income |                         |                         |                          |                           |                           |                   |
|---|---------------|-------------------------------|-------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-------------------|
|   |               | Under \$15,000 [1]            | \$15,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$250,000 | \$250,000 or more |
|   | (1)           | (2)                           | (3)                     | (4)                     | (5)                      | (6)                       | (7)                       | (8)               |
| <b>Additional standard deduction:</b>   |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 12,852,556    | 4,420,228                     | 3,246,123               | 2,173,355               | 2,456,818                | 512,357                   | 21,353                    | 22,321            |
| Amount  | 21,451,410    | 7,046,128                     | 5,474,486               | 3,681,277               | 4,236,799                | 933,538                   | 39,329                    | 39,853            |
| <b>Increase in standard deduction for real estate taxes, new motor vehicle taxes, or net disaster loss: [6]</b> |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 16,535,316    | 2,356,197                     | 3,128,174               | 3,813,705               | 5,791,068                | 1,345,268                 | 56,892                    | 44,012            |
| Amount  | 13,396,796    | 1,527,730                     | 2,219,505               | 2,950,207               | 5,244,786                | 1,350,641                 | 63,745                    | 40,179            |
| <b>Total itemized deductions (after limitation):</b>  |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 45,640,583    | 1,942,922                     | 3,968,885               | 7,606,015               | 16,893,346               | 11,455,714                | 1,362,453                 | 2,411,245         |
| Amount  | 1,165,866,022 | 31,404,436                    | 61,944,408              | 124,765,975             | 343,773,384              | 331,663,297               | 56,671,523                | 215,643,001       |
| <b>Itemized deductions in excess of limitation:</b>   |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 5,743,008     | 0                             | 0                       | 0                       | 65,369                   | 1,904,070                 | 1,362,427                 | 2,411,143         |
| Amount  | 12,127,117    | 0                             | 0                       | 0                       | 5,986                    | 319,406                   | 767,317                   | 11,034,408        |
| <b>Medical and dental expenses deduction:</b>   |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 10,016,840    | 1,348,733                     | 1,933,252               | 2,385,785               | 3,318,022                | 947,851                   | 45,233                    | 37,966            |
| Amount  | 78,489,285    | 11,347,626                    | 15,047,015              | 16,766,127              | 24,117,602               | 8,785,534                 | 976,996                   | 1,448,382         |
| <b>Taxes paid deduction:</b>  |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 45,381,987    | 1,863,103                     | 3,903,373               | 7,546,763               | 16,855,229               | 11,444,440                | 1,361,302                 | 2,407,779         |
| Amount  | 421,930,827   | 6,217,060                     | 12,428,779              | 29,754,347              | 105,300,518              | 126,677,146               | 25,216,914                | 116,336,063       |
| <b>State and local income taxes: [7]</b>  |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 43,998,291    | 1,647,815                     | 3,671,331               | 7,238,131               | 16,449,318               | 11,255,300                | 1,348,508                 | 2,387,886         |
| Amount  | 244,564,731   | 1,321,189                     | 3,529,102               | 11,896,699              | 51,405,886               | 70,925,291                | 15,674,421                | 89,812,142        |
| <b>Income taxes:</b>  |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 33,963,074    | 611,731                       | 2,104,919               | 5,253,895               | 13,270,096               | 9,547,501                 | 1,155,539                 | 2,019,395         |
| Amount  | 229,290,638   | 780,275                       | 2,396,972               | 9,799,951               | 46,609,517               | 66,858,166                | 14,963,379                | 87,882,376        |
| <b>General sales taxes:</b>   |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 10,035,217    | 1,036,086                     | 1,566,414               | 1,984,236               | 3,179,222                | 1,707,799                 | 192,968                   | 368,492           |
| Amount  | 15,274,093    | 540,914                       | 1,132,131               | 2,096,745               | 4,796,368                | 4,067,125                 | 711,042                   | 1,929,766         |
| <b>Interest paid deduction:</b>   |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 36,919,968    | 1,137,320                     | 2,645,247               | 5,698,997               | 14,207,941               | 10,075,464                | 1,164,651                 | 1,990,347         |
| Amount  | 432,757,674   | 10,052,648                    | 22,308,845              | 49,573,982              | 143,972,579              | 135,576,276               | 20,465,188                | 50,808,158        |
| <b>Charitable contributions deduction:</b>  |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 37,305,909    | 1,158,154                     | 2,722,363               | 5,587,355               | 13,940,966               | 10,346,002                | 1,274,989                 | 2,276,081         |
| Amount  | 148,594,527   | 1,732,503                     | 5,576,537               | 12,707,263              | 38,687,774               | 40,226,649                | 7,582,958                 | 42,080,841        |
| <b>Taxable income:</b>  |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 104,354,180   | 9,019,159                     | 23,301,426              | 24,473,872              | 30,097,636               | 13,529,292                | 1,439,907                 | 2,492,885         |
| Amount  | 5,107,861,921 | 24,701,458                    | 216,219,620             | 524,424,922             | 1,396,558,786            | 1,312,912,967             | 247,575,040               | 1,385,469,128     |
| <b>Alternative minimum tax:</b>   |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 3,877,580     | 9,719                         | 14,029                  | 8,604                   | 169,780                  | 914,316                   | 867,714                   | 1,893,422         |
| Amount  | 20,204,674    | 72,669                        | 13,000                  | 21,989                  | 205,062                  | 1,819,493                 | 2,402,715                 | 15,669,742        |
| <b>Income tax before credits:</b>   |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 103,719,284   | 8,757,960                     | 23,116,281              | 24,371,372              | 30,028,731               | 13,511,273                | 1,439,242                 | 2,494,425         |
| Amount  | 978,255,840   | 2,521,737                     | 24,269,840              | 65,738,427              | 202,167,813              | 233,666,732               | 54,852,010                | 395,039,280       |
| <b>Total tax credits: [8]</b>   |               |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 87,931,109    | 4,988,813                     | 20,087,704              | 22,127,715              | 27,410,407               | 11,272,192                | 658,552                   | 1,385,726         |
| Amount  | 110,207,348   | 1,229,887                     | 10,353,847              | 20,394,951              | 43,362,989               | 20,259,146                | 1,029,403                 | 13,577,124        |

Footnotes at end of table.

# Individual Income Tax Returns, Preliminary Data, 2009

Statistics of Income Bulletin | Winter 2011

**Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

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

| Item  | All returns        | Size of adjusted gross income |                         |                         |                          |                           |                           |                   |
|---|--------------------|-------------------------------|-------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-------------------|
|   |                    | Under \$15,000 [1]            | \$15,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$250,000 | \$250,000 or more |
|   | (1)                | (2)                           | (3)                     | (4)                     | (5)                      | (6)                       | (7)                       | (8)               |
| <b>Child care credit:</b>   |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 6,335,953          | 15,314                        | 966,129                 | 1,315,809               | 2,280,350                | 1,436,016                 | 137,458                   | 184,879           |
| Amount  | 3,346,081          | 2,391                         | 440,235                 | 765,202                 | 1,187,690                | 780,921                   | 69,736                    | 99,907            |
| <b>Credit for the elderly or disabled:</b>                              |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 62,019             | 35,751                        | 26,269                  | 0                       | 0                        | 0                         | 0                         | 0                 |
| Amount  | 8,023              | 5,783                         | 2,241                   | 0                       | 0                        | 0                         | 0                         | 0                 |
| <b>Child tax credit:</b>  |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 23,692,091         | 98,452                        | 4,394,643               | 6,431,511               | 9,500,893                | 3,265,228                 | 1,358                     | * 4               |
| Amount  | 28,584,022         | 12,721                        | 2,086,576               | 6,579,491               | 15,464,331               | 4,440,359                 | 537                       | * 6               |
| <b>Education tax credits:</b>   |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 10,739,306         | 754,501                       | 2,364,803               | 2,518,240               | 3,525,273                | 1,576,489                 | 0                         | 0                 |
| Amount  | 10,981,087         | 208,273                       | 1,689,126               | 2,483,332               | 4,353,347                | 2,247,010                 | 0                         | 0                 |
| <b>Retirement savings contributions credit:</b>                         |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 6,351,030          | 266,964                       | 2,799,720               | 2,587,897               | 696,448                  | 0                         | 0                         | 0                 |
| Amount  | 1,058,651          | 40,427                        | 451,597                 | 452,125                 | 114,502                  | 0                         | 0                         | 0                 |
| <b>Adoption credit:</b>   |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 81,430             | 155                           | 3,312                   | 20,687                  | 40,613                   | 15,465                    | 845                       | 355               |
| Amount  | 280,603            | 1,506                         | 1,892                   | 28,800                  | 151,543                  | 88,099                    | 2,020                     | 6,743             |
| <b>Residential energy credits:</b>                                      |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 6,869,229          | 58,654                        | 455,374                 | 1,156,064               | 2,900,033                | 1,823,970                 | 204,041                   | 271,091           |
| Amount  | 5,943,126          | 9,936                         | 227,587                 | 798,308                 | 2,412,240                | 1,815,128                 | 233,446                   | 446,481           |
| <b>Foreign tax credit:</b>  |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 6,356,367          | 132,980                       | 411,372                 | 756,896                 | 1,897,560                | 1,783,504                 | 362,441                   | 1,011,615         |
| Amount  | 12,938,622         | 4,900                         | 44,820                  | 132,704                 | 367,842                  | 938,697                   | 459,616                   | 10,990,043        |
| <b>General business credit:</b>   |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 248,672            | 2,531                         | 9,468                   | 19,295                  | 61,666                   | 72,540                    | 12,349                    | 70,824            |
| Amount  | 1,237,780          | 5,977                         | 7,489                   | 23,788                  | 86,914                   | 177,916                   | 27,382                    | 908,312           |
| <b>Prior year minimum tax credit:</b>                                   |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 298,910            | 3,729                         | 7,218                   | 9,366                   | 45,175                   | 158,088                   | 20,907                    | 54,429            |
| Amount  | 730,408            | 1,174                         | 3,689                   | 6,219                   | 56,932                   | 201,232                   | 20,286                    | 440,878           |
| <b>Total making work pay credit:</b>                                    |                    |                               |                         |                         |                          |                           |                           |                   |
| <b>Number of returns</b>  | <b>101,758,158</b> | <b>20,468,195</b>             | <b>23,606,017</b>       | <b>21,416,625</b>       | <b>26,160,280</b>        | <b>10,081,599</b>         | <b>14,177</b>             | <b>11,265</b>     |
| <b>Amount</b>   | <b>51,099,849</b>  | <b>7,224,228</b>              | <b>10,468,601</b>       | <b>10,653,953</b>       | <b>15,872,646</b>        | <b>6,871,798</b>          | <b>4,711</b>              | <b>3,910</b>      |
| <b>Making work pay credit used to offset income tax before credits:</b> |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 68,995,598         | 3,852,468                     | 13,280,251              | 17,004,682              | 24,805,356               | 10,027,427                | 14,165                    | 11,251            |
| Amount  | 34,674,354         | 906,434                       | 4,853,329               | 7,452,075               | 14,628,758               | 6,825,146                 | 4,706                     | 3,906             |
| <b>Making work pay credit used to offset other taxes:</b>               |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 8,852,516          | 4,686,736                     | 2,322,507               | 1,259,572               | 556,925                  | 26,767                    | * 5                       | * 3               |
| Amount  | 3,446,159          | 1,603,181                     | 986,289                 | 577,924                 | 262,262                  | 16,499                    | * 2                       | * 1               |
| <b>Making work pay credit refundable portion:</b>                       |                    |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 32,494,288         | 15,275,969                    | 10,630,849              | 4,885,205               | 1,656,493                | 45,753                    | * 8                       | * 13              |
| Amount  | 12,979,336         | 4,714,611                     | 4,628,985               | 2,623,953               | 981,626                  | 30,153                    | * 2                       | * 3               |
| <b>Total earned income credit (EIC):</b>                                |                    |                               |                         |                         |                          |                           |                           |                   |
| <b>Number of returns</b>  | <b>27,388,200</b>  | <b>13,693,142</b>             | <b>9,382,507</b>        | <b>4,312,552</b>        | <b>0</b>                 | <b>0</b>                  | <b>0</b>                  | <b>0</b>          |
| <b>Amount</b>   | <b>60,426,876</b>  | <b>25,825,922</b>             | <b>29,164,581</b>       | <b>5,436,371</b>        | <b>0</b>                 | <b>0</b>                  | <b>0</b>                  | <b>0</b>          |

Footnotes at end of table.

# Individual Income Tax Returns, Preliminary Data, 2009

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**Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

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

| Item   | All returns      | Size of adjusted gross income |                         |                         |                          |                           |                           |                   |
|--|------------------|-------------------------------|-------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-------------------|
|  |                  | Under \$15,000 [1]            | \$15,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$250,000 | \$250,000 or more |
|  | (1)              | (2)                           | (3)                     | (4)                     | (5)                      | (6)                       | (7)                       | (8)               |
| EIC used to offset income tax before credits:                                      |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | 1,494,322        | 182,217                       | 531,130                 | 780,975                 | 0                        | 0                         | 0                         | 0                 |
| Amount   | 492,308          | 10,824                        | 226,103                 | 255,380                 | 0                        | 0                         | 0                         | 0                 |
| EIC used to offset other taxes:  |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | 5,188,174        | 3,524,784                     | 1,230,845               | 432,544                 | 0                        | 0                         | 0                         | 0                 |
| Amount   | 4,816,120        | 2,633,382                     | 1,794,064               | 388,674                 | 0                        | 0                         | 0                         | 0                 |
| Excess EIC refundable portion:   |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | 25,345,868       | 12,519,815                    | 9,148,441               | 3,677,614               | 0                        | 0                         | 0                         | 0                 |
| Amount   | 55,118,448       | 23,181,717                    | 27,144,413              | 4,792,316               | 0                        | 0                         | 0                         | 0                 |
| <b>Total refundable education credit:</b>  |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | <b>8,951,615</b> | <b>1,810,318</b>              | <b>1,796,413</b>        | <b>1,607,270</b>        | <b>2,294,056</b>         | <b>1,443,560</b>          | <b>0</b>                  | <b>0</b>          |
| Amount   | <b>7,711,336</b> | <b>1,441,762</b>              | <b>1,404,441</b>        | <b>1,352,612</b>        | <b>2,106,254</b>         | <b>1,406,265</b>          | <b>0</b>                  | <b>0</b>          |
| Refundable education credit used to offset income tax before credits:              |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | 4,448,853        | 3,820                         | 361,968                 | 721,830                 | 1,931,836                | 1,429,399                 | 0                         | 0                 |
| Amount   | 3,549,154        | 1,015                         | 120,114                 | 440,226                 | 1,602,834                | 1,384,966                 | 0                         | 0                 |
| Refundable education credit used to offset other taxes:                            |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | 385,926          | 83,009                        | 70,677                  | 127,211                 | 99,509                   | 5,520                     | 0                         | 0                 |
| Amount   | 221,967          | 34,335                        | 36,820                  | 79,007                  | 66,234                   | 5,570                     | 0                         | 0                 |
| Refundable education credit refundable portion:                                    |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | 4,924,465        | 1,780,412                     | 1,621,349               | 1,016,193               | 489,256                  | 17,255                    | 0                         | 0                 |
| Amount   | 3,940,214        | 1,406,409                     | 1,247,505               | 833,379                 | 437,187                  | 15,730                    | 0                         | 0                 |
| <b>Total first-time homebuyer credit:</b>  |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | <b>1,371,959</b> | <b>128,324</b>                | <b>172,852</b>          | <b>370,557</b>          | <b>532,291</b>           | <b>159,113</b>            | <b>8,824</b>              | <b>0</b>          |
| Amount   | <b>9,715,356</b> | <b>783,381</b>                | <b>1,158,209</b>        | <b>2,675,227</b>        | <b>3,911,823</b>         | <b>1,129,835</b>          | <b>56,881</b>             | <b>0</b>          |
| First-time homebuyer credit used to offset income tax before credits:              |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | 1,085,512        | 9,473                         | 97,537                  | 300,048                 | 510,606                  | 159,032                   | 8,815                     | 0                 |
| Amount   | 4,837,874        | 3,010                         | 114,361                 | 858,548                 | 2,698,365                | 1,106,767                 | 56,823                    | 0                 |
| First-time homebuyer credit used to offset other taxes:                            |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | 169,320          | 16,644                        | 15,279                  | 46,975                  | 86,725                   | 3,693                     | * 5                       | 0                 |
| Amount   | 217,777          | 14,460                        | 32,895                  | 70,538                  | 96,970                   | 2,894                     | * 21                      | 0                 |
| First-time homebuyer credit refundable portion:                                    |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | 996,425          | 128,272                       | 170,447                 | 350,910                 | 335,982                  | 10,809                    | * 8                       | 0                 |
| Amount   | 4,659,706        | 765,912                       | 1,010,951               | 1,746,143               | 1,116,488                | 20,174                    | * 38                      | 0                 |
| <b>Total refundable prior year minimum tax credit:</b>                             |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | <b>226,506</b>   | <b>18,283</b>                 | <b>2,546</b>            | <b>3,141</b>            | <b>11,784</b>            | <b>52,182</b>             | <b>32,426</b>             | <b>106,147</b>    |
| Amount   | <b>2,211,594</b> | <b>237,016</b>                | <b>16,133</b>           | <b>44,965</b>           | <b>291,920</b>           | <b>652,699</b>            | <b>217,242</b>            | <b>751,617</b>    |
| Refundable prior year minimum tax credit used to offset income tax before credits: |                  |                               |                         |                         |                          |                           |                           |                   |
| Number of returns  | 186,257          | * 141                         | 0                       | * 12                    | 2,673                    | 46,089                    | 31,978                    | 105,362           |
| Amount   | 865,920          | * 497                         | 0                       | * 273                   | 13,628                   | 109,615                   | 134,879                   | 607,027           |

Footnotes at end of table.

# Individual Income Tax Returns, Preliminary Data, 2009

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**Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

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

| Item  | All returns | Size of adjusted gross income |                         |                         |                          |                           |                           |                   |
|---|-------------|-------------------------------|-------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-------------------|
|   |             | Under \$15,000 [1]            | \$15,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$250,000 | \$250,000 or more |
|   | (1)         | (2)                           | (3)                     | (4)                     | (5)                      | (6)                       | (7)                       | (8)               |
| <b>Refundable prior year minimum tax credit used to offset other taxes:</b> |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 9,751       | 4,817                         | * 89                    | * 485                   | 1,788                    | 1,251                     | 830                       | 494               |
| Amount  | 23,668      | 8,446                         | * 403                   | * 767                   | 1,852                    | 9,910                     | 641                       | 1,649             |
| <b>Refundable prior year minimum tax credit refundable portion:</b>         |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 44,868      | 15,547                        | 2,471                   | 2,746                   | 8,526                    | 10,616                    | 2,209                     | 2,757             |
| Amount  | 1,322,006   | 228,074                       | 15,729                  | 43,926                  | 276,440                  | 533,175                   | 81,722                    | 142,941           |
| <b>Self-employment tax:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 17,236,650  | 5,503,697                     | 2,836,835               | 2,252,324               | 3,533,490                | 2,038,506                 | 315,977                   | 755,824           |
| Amount  | 44,425,902  | 6,190,749                     | 5,309,989               | 4,785,031               | 9,384,055                | 8,738,028                 | 2,153,298                 | 7,864,750         |
| <b>Additional child tax credit:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 21,539,362  | 6,861,483                     | 9,123,900               | 4,286,110               | 1,238,056                | 29,802                    | 11                        | 0                 |
| Amount  | 27,744,075  | 6,572,650                     | 13,130,781              | 6,338,238               | 1,662,308                | 40,075                    | 24                        | 0                 |
| <b>Total income tax:</b>  |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 81,939,015  | 5,043,202                     | 14,058,297              | 17,951,697              | 27,552,200               | 13,412,608                | 1,434,602                 | 2,486,409         |
| Amount  | 868,049,646 | 1,291,849                     | 13,915,992              | 45,343,523              | 158,804,824              | 213,407,586               | 53,822,608                | 381,463,260       |
| <b>Total tax liability:</b>   |             |                               |                         |                         |                          |                           |                           |                   |
| Number of returns   | 86,138,122  | 7,629,139                     | 14,816,712              | 18,425,899              | 27,898,741               | 13,443,374                | 1,436,018                 | 2,488,239         |
| Amount  | 910,001,338 | 3,877,639                     | 16,559,251              | 49,416,101              | 169,460,269              | 223,905,422               | 56,292,703                | 390,489,956       |

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

[1] Includes returns with adjusted gross deficit.

[2] Included in data for Forms 1040, 1040A, and 1040EZ.

[3] Not included in adjusted gross income.

[4] Includes capital gain distributions reported on Form 1040 and Schedule D.

[5] Other adjustments does not include the foreign housing deduction or the medical savings account deduction.

[6] For Tax Year 2009 the increases in standard deduction were taken as:

Real estate taxes: Number of returns—15,092,064, Amount—11,279,058

New motor vehicle taxes: Number of returns—1,431,962, Amount—1,994,981

Net disaster loss: Number of returns—11,290, Amount—122,757

[7] State and local income taxes is the total of both income taxes and general sales taxes.

[8] Includes making work pay credit, EIC, first-time home buyer credit, and refundable prior year minimum tax credit used to offset income tax before credits, shown separately later in this figure.

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

# Individual Income Tax Rates and Shares, 2008

by Kyle Mudry

**T**axpayers filed 142.5 million returns for Tax Year 2008. Of those, 90.7 million (or 63.6 percent) were classified as taxable returns. This represents the lowest percentage in more than 23 years. A taxable return is a return that has total income tax greater than \$0. The number of taxable returns for 2008 was 5.8 percent lower than for 2007. Adjusted gross income (AGI) on these taxable returns decreased 6.1 percent to \$7,583 billion for 2008, while total income tax decreased 7.5 percent to \$1,032 billion. The average tax rate for taxable returns decreased 0.2 percentage points to 13.6 percent.

The top 1 percent of taxpayers, those with AGI of at least \$380,354, accounted for 20.0 percent of AGI for 2008. This represents a decrease in income share of 2.8 percentage points from the previous year, when the cutoff for this group was \$410,096. These taxpayers accounted for 38.0 percent of the total income tax reported, a decrease from 40.4 percent in 2007. The top 5 percent of taxpayers accounted for 34.7 percent of AGI and 58.7 percent of total income tax. To be included in the top 5 percent, a taxpayer must have reported AGI of at least \$159,619, whereas, in 2007, the cutoff for this group was \$160,041.

This article discusses the individual income tax rates and tax shares and the computation of “total income tax” for 2008. To put this discussion into perspective, the article provides explanations of selected terms used in the article and describes the income tax structure, certain tax law changes, income and tax concepts (the “1979 Income Concept,” “modified” taxable income, and marginal tax rates), the computation of “alternative minimum taxable income,” and data sources and limitations.

## Income Tax Rates

Discussions of income tax rates generally center on measuring two distinct tax rates: average tax rates and marginal tax rates. Average tax rates are

calculated by dividing some measure of tax by some measure of income. For the statistics in this article, the average tax rate is “total income tax” (see the *Explanation of Selected Terms* section of this article) divided by AGI reported on returns showing some income tax liability.

Measures of marginal tax rates focus on determining the tax rate imposed on the last (or next) dollar of income received by a taxpayer. For this article, the marginal tax rate is the statutory rate at which the last dollar of taxable income is taxed. (See the *Income and Tax Concepts* section of this article for a more detailed explanation of marginal tax rates.) The following sections describe the measurement of the average and marginal tax rates in more detail, and discuss the statistics based on these rates for 2008.

## Average Tax Rates

Figure A presents statistics for 1986 through 2008 on income (based on each year’s definition of AGI and on the common 1979 Income Concept) and taxes reported. (See the *Income and Tax Concepts* section of this article for a more detailed explanation of the 1979 Income Concept.) These tax years can be partitioned into seven distinct periods:

- (1) Tax Year 1986 was the last year under the Economic Recovery Tax Act of 1981 (ERTA81). The tax bracket boundaries, personal exemptions, and standard deductions were indexed for inflation, and the maximum tax rate was 50 percent.
- (2) Tax Year 1987 was the first year under the Tax Reform Act of 1986 (TRA86). For 1987, a 1-year, transitional, five-rate tax bracket structure was established with a partial phase-in of new provisions that broadened the definition of AGI. The maximum tax rate was 38.5 percent.
- (3) During Tax Years 1988 through 1990, there was effectively a three-rate tax bracket structure.<sup>1</sup> The phase-in of the provisions of TRA86 continued with a maximum tax rate of 33 percent.

*Kyle Mudry is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.*

<sup>1</sup> For Tax Years 1988 through 1990, the tax rate schedules provided only two basic rates: 15 percent and 28 percent. However, taxable income over certain levels was subject to a 33-percent tax rate to phase out the benefit of the 15-percent tax bracket (as compared to the 28-percent rate) and the deduction for personal exemptions. At the taxable income level, where these benefits were completely phased out, the tax rate returned to 28 percent.

# Individual Income Tax Rates and Shares, 2008

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**Figure A**

## Adjusted Gross Income, Total Income Tax, Average Tax Rate, and Average Total Income Tax, Tax Years 1986–2008

[Money amounts are in billions of dollars, except where indicated]

| Tax year                                    | Total number of returns | Taxable returns   |                                      |                                      |                  |                                     |  |                  |                                      |                  |
|---|-------------------------|-------------------|--------------------------------------|--------------------------------------|------------------|-------------------------------------|--|------------------|--------------------------------------|------------------|
|   |                         | Number of returns | As a percentage of total returns [1] | Adjusted gross income (less deficit) | Total income tax | Average tax rate (percent) [2], [3] | Average per return (whole dollars) [3] |                  |                                      |                  |
|   |                         |                   |                                      |                                      |                  |                                     | Current dollars                        |                  | Constant dollars [4]                 |                  |
|   |                         |                   |                                      |                                      |                  |                                     | Adjusted gross income (less deficit)   | Total income tax | Adjusted gross income (less deficit) | Total income tax |
| (1)   | (2)                     | (3)               | (4)                                  | (5)                                  | (6)              | (7)                                 | (8)                                    | (9)              | (10)                                 |                  |
| Using each tax year's adjusted gross income |                         |                   |                                      |                                      |                  |                                     |  |                  |                                      |                  |
| 1986  | 103,045,170             | 83,967,413        | 81.5                                 | 2,440                                | 367              | 15.1                                | 29,062                                 | 4,374            | 26,516                               | 3,991            |
| 1987  | 106,996,270             | 86,723,796        | 81.1                                 | 2,701                                | 369              | 13.7                                | 31,142                                 | 4,257            | 27,414                               | 3,747            |
| 1988  | 109,708,280             | 87,135,332        | 79.4                                 | 2,990                                | 413              | 13.8                                | 34,313                                 | 4,738            | 29,005                               | 4,005            |
| 1989  | 112,135,673             | 89,178,355        | 79.5                                 | 3,158                                | 433              | 13.7                                | 35,415                                 | 4,855            | 28,560                               | 3,915            |
| 1990  | 113,717,138             | 89,862,434        | 79.0                                 | 3,299                                | 447              | 13.6                                | 36,711                                 | 4,976            | 28,088                               | 3,807            |
| 1991  | 114,730,123             | 88,733,587        | 77.3                                 | 3,337                                | 448              | 13.4                                | 37,603                                 | 5,054            | 27,609                               | 3,711            |
| 1992  | 113,604,503             | 86,731,946        | 76.3                                 | 3,484                                | 476              | 13.7                                | 40,168                                 | 5,491            | 28,630                               | 3,914            |
| 1993  | 114,601,819             | 86,435,367        | 75.4                                 | 3,564                                | 503              | 14.1                                | 41,233                                 | 5,817            | 28,535                               | 4,026            |
| 1994  | 115,943,131             | 87,619,446        | 75.6                                 | 3,737                                | 535              | 14.3                                | 42,646                                 | 6,104            | 28,776                               | 4,119            |
| 1995  | 118,218,327             | 89,252,989        | 75.5                                 | 4,008                                | 588              | 14.7                                | 44,901                                 | 6,593            | 29,463                               | 4,326            |
| 1996  | 120,351,208             | 90,929,350        | 75.6                                 | 4,342                                | 658              | 15.2                                | 47,750                                 | 7,239            | 30,433                               | 4,614            |
| 1997  | 122,421,991             | 93,471,200        | 76.4                                 | 4,765                                | 731              | 15.3                                | 50,980                                 | 7,824            | 31,763                               | 4,875            |
| 1998  | 124,770,662             | 93,047,898        | 74.6                                 | 5,160                                | 789              | 15.3                                | 55,458                                 | 8,475            | 33,836                               | 5,171            |
| 1999  | 127,075,145             | 94,546,080        | 74.4                                 | 5,581                                | 877              | 15.7                                | 59,028                                 | 9,280            | 35,431                               | 5,570            |
| 2000  | 129,373,500             | 96,817,603        | 74.8                                 | 6,083                                | 981              | 16.1                                | 62,832                                 | 10,129           | 36,488                               | 5,882            |
| 2001  | 130,255,237             | 94,763,530        | 72.8                                 | 5,847                                | 888              | 15.2                                | 61,702                                 | 9,370            | 34,840                               | 5,291            |
| 2002  | 130,076,443             | 90,963,896        | 69.9                                 | 5,641                                | 797              | 14.1                                | 62,015                                 | 8,762            | 34,472                               | 4,870            |
| 2003  | 130,423,626             | 88,921,904        | 68.2                                 | 5,747                                | 748              | 13.0                                | 64,625                                 | 8,412            | 35,122                               | 4,572            |
| 2004  | 132,226,042             | 89,101,934        | 67.4                                 | 6,266                                | 832              | 13.3                                | 70,318                                 | 9,337            | 37,225                               | 4,943            |
| 2005  | 134,372,678             | 90,593,081        | 67.4                                 | 6,857                                | 935              | 13.6                                | 75,687                                 | 10,319           | 38,754                               | 5,284            |
| 2006  | * 138,394,754           | 92,740,927        | 67.0                                 | 7,439                                | 1,024            | 13.8                                | 80,218                                 | 11,041           | 39,791                               | 5,477            |
| 2007  | ** 142,978,806          | 96,272,958        | 67.3                                 | 8,072                                | 1,116            | 13.8                                | 83,851                                 | 11,588           | 40,449                               | 5,590            |
| 2008  | 142,450,569             | 90,660,104        | 63.6                                 | 7,583                                | 1,032            | 13.6                                | 83,647                                 | 11,379           | 38,851                               | 5,285            |
| Using 1979 Income Concept [5]               |                         |                   |                                      |                                      |                  |                                     |  |                  |                                      |                  |
| 1986  | 103,045,170             | 83,967,413        | 81.5                                 | 2,703                                | 367              | 13.6                                | 32,194                                 | 4,374            | 29,374                               | 3,991            |
| 1987  | 106,996,270             | 86,723,796        | 81.1                                 | 2,736                                | 369              | 13.5                                | 31,551                                 | 4,257            | 27,774                               | 3,747            |
| 1988  | 109,708,280             | 87,135,332        | 79.4                                 | 3,011                                | 413              | 13.7                                | 34,556                                 | 4,738            | 29,210                               | 4,005            |
| 1989  | 112,135,673             | 89,178,355        | 79.5                                 | 3,188                                | 433              | 13.6                                | 35,752                                 | 4,855            | 28,832                               | 3,915            |
| 1990  | 113,717,138             | 89,862,434        | 79.0                                 | 3,335                                | 447              | 13.4                                | 37,108                                 | 4,976            | 28,392                               | 3,807            |
| 1991  | 114,730,123             | 88,733,587        | 77.3                                 | 3,387                                | 448              | 13.2                                | 38,169                                 | 5,054            | 28,024                               | 3,711            |
| 1992  | 113,604,503             | 86,731,946        | 76.3                                 | 3,553                                | 476              | 13.4                                | 40,964                                 | 5,491            | 29,198                               | 3,914            |
| 1993  | 114,601,819             | 86,435,367        | 75.4                                 | 3,625                                | 503              | 13.9                                | 41,938                                 | 5,817            | 29,023                               | 4,026            |
| 1994  | 115,943,131             | 87,619,446        | 75.6                                 | 3,796                                | 535              | 14.1                                | 43,322                                 | 6,104            | 29,232                               | 4,119            |
| 1995  | 118,218,327             | 89,252,989        | 75.5                                 | 4,075                                | 588              | 14.4                                | 45,655                                 | 6,593            | 29,957                               | 4,326            |
| 1996  | 120,351,208             | 90,929,350        | 75.6                                 | 4,418                                | 658              | 14.9                                | 48,582                                 | 7,239            | 30,964                               | 4,614            |
| 1997  | 122,421,991             | 93,471,200        | 76.4                                 | 4,849                                | 731              | 15.1                                | 51,875                                 | 7,824            | 32,321                               | 4,875            |
| 1998  | 124,770,662             | 93,047,898        | 74.6                                 | 5,299                                | 789              | 14.9                                | 56,947                                 | 8,475            | 34,745                               | 5,171            |
| 1999  | 127,075,145             | 94,546,080        | 74.4                                 | 5,736                                | 877              | 15.3                                | 60,666                                 | 9,280            | 36,414                               | 5,570            |
| 2000  | 129,373,500             | 96,817,603        | 74.8                                 | 6,294                                | 981              | 15.6                                | 65,012                                 | 10,129           | 37,754                               | 5,882            |
| 2001  | 130,255,237             | 94,763,530        | 72.8                                 | 5,943                                | 888              | 14.9                                | 62,716                                 | 9,370            | 35,413                               | 5,291            |
| 2002  | 130,076,443             | 90,963,896        | 69.9                                 | 5,758                                | 797              | 13.8                                | 63,297                                 | 8,762            | 35,184                               | 4,870            |
| 2003  | 130,423,626             | 88,921,904        | 68.2                                 | 5,849                                | 748              | 12.8                                | 65,777                                 | 8,412            | 35,749                               | 4,572            |
| 2004  | 132,226,042             | 89,101,934        | 67.4                                 | 6,399                                | 832              | 13.0                                | 71,817                                 | 9,337            | 38,019                               | 4,943            |
| 2005  | 134,372,678             | 90,593,081        | 67.4                                 | 7,016                                | 935              | 13.3                                | 77,448                                 | 10,319           | 39,656                               | 5,284            |
| 2006  | * 138,394,754           | 92,740,927        | 67.0                                 | 7,640                                | 1,024            | 13.4                                | 82,379                                 | 11,041           | 40,863                               | 5,477            |
| 2007  | ** 142,978,806          | 96,269,751        | 67.3                                 | 8,282                                | 1,116            | 13.5                                | 86,028                                 | 11,588           | 41,499                               | 5,590            |
| 2008  | 142,450,569             | 90,660,104        | 63.6                                 | 7,760                                | 1,032            | 13.3                                | 85,592                                 | 11,379           | 39,754                               | 5,285            |

\* Includes 742,859 Form 1040 EZ-T returns.

\*\* The total number of returns does not include the returns filed by individuals only to receive the economic stimulus payment and who had no other reason to file.

[1] Number of taxable returns (column 2) divided by total number of returns (column 1).

[2] Average tax rate is "total income tax" (column 5) divided by "adjusted gross income less deficit (AGI)" (column 4).

[3] The average adjusted gross income (less deficit), average total income tax, and average tax rate were calculated from unrounded data.

[4] Constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). For 2008, the CPI-U = 215.303.

[5] These statistics are based on adjusted gross income less deficit (AGI) recomputed to reflect the 1979 Income Concept, thus enabling more valid comparisons to be made of the average tax rates among years. Changes in the definition of AGI among years render direct comparison of the unadjusted figures misleading. For additional information, see *Statistics of Income—Individual Income Tax Returns*, for 1986-2008. See Figure G for components of the 1979 Income Concept.

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- (4) Tax Years 1991 and 1992 brought a three-rate tax bracket structure (with a maximum tax rate of 31 percent), a limitation on some itemized deductions, and a phaseout of personal exemptions for some upper-income taxpayers.
- (5) Tax Years 1993 through 1996 had a five-rate tax bracket structure (with a maximum statutory tax rate of 39.6 percent), a limitation on some itemized deductions, and a phaseout of personal exemptions for some upper-income taxpayers.
- (6) Tax Years 1997 through 2000 were subject to the Taxpayer Relief Act of 1997, which added three new capital gain tax rates to the previous rate structure to form a new eight-rate tax bracket structure (with maximum statutory tax rate of 39.6 percent). See the *Income and Tax Concepts* section of this article for a more detailed description of the capital gain rates.
- (7) Tax Years 2001 through 2008 were affected mainly by two new laws, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA). EGTRRA included a new 10-percent tax rate bracket, as well as reductions in tax rates for brackets higher than 15 percent of one-half percentage point for 2001 and 1 percentage point for 2002. It also included increases in the child tax credit and an increase in alternative minimum tax exemptions. Tax Year 2003, under JGTRRA, saw additional rate reductions (accelerations of EGTRRA's phased-in reductions) in ordinary marginal tax rates higher than the 15-percent rate, as well as expansions to particular income thresholds in the rates from 15 percent and below. Also, the rate for most long-term capital gains was reduced from 20 percent to 15 percent. Further, qualified dividends were taxed at this same 15-percent rate. These changes are detailed in Appendix C of the previously published article, "*Individual Income Tax Rates and*

*Shares, 2003*" (under *Tax Rate Reduction*). Under EGTRRA, beginning in 2006, the complete phase-out of personal exemptions and the limitation on some itemized deductions for upper-income taxpayers were modified to limit the maximum phaseout of two-thirds of both the exemption amount and the itemized deduction limitation amount. For 2008, the limit was changed to one-third. Beginning in 2004, the Working Families Tax Relief Act increased the additional child tax credit refundability rate from 10 percent to 15 percent.

About 90.7 million, or 63.6 percent, of the 142.5 million individual returns filed for 2008 were classified as taxable returns. This was a 5.8-percent decrease in the number of taxable returns from 2007. This also represents the lowest percentage of individual returns that were taxable in more than 23 years. Total AGI reported on taxable returns decreased 6.1 percent to \$7,583 billion. Using the 1979 Income Concept, total AGI on taxable returns decreased 6.3 percent to \$7,760 billion for 2008. Total income tax decreased by more than \$84 billion (7.5 percent) to \$1,032 billion for 2008. Average AGI for taxable returns decreased to \$83,647 for 2008, (a small decrease from 2007). Average income tax also decreased for 2008 by 1.8 percent to \$11,379.

In order to analyze the average tax rate over time, it is necessary to use a more consistent measure of income than AGI, because some tax law changes have resulted in the definition of AGI changing from year to year. The 1979 Income Concept controls for much of this variation in tax law, and its use provides a more consistent estimate of the average tax rate across years. Under the 1979 Concept, the average tax rate for 2008 decreased to 13.3 percent from 13.5 percent for the previous year.

As shown in Figure B, the average tax rate on all taxable returns as a percentage of AGI was 13.6 percent for 2008. The average tax rate for the AGI-size classes ranged from 2.8 percent for the "\$1 under \$10,000" AGI-size class to 24.1 percent for the "\$500,000 under \$1,000,000" AGI-size class.

The average tax rate of 13.6 percent for 2008 for all income classes combined was 0.2 percentage points lower than in 2007. The average tax rate

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**Figure B**

## Taxable Returns: Number of Returns, Adjusted Gross Income, and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 2007 and 2008

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

| Tax year, item                       | Total      | Size of adjusted gross income |                    |                         |                         |                         |                          |                           |                           |                             |                     |
|--------------------------------------|------------|-------------------------------|--------------------|-------------------------|-------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-----------------------------|---------------------|
|                                      |            | Under \$1 [1]                 | \$1 under \$10,000 | \$10,000 under \$20,000 | \$20,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 or more |
|                                      | (1)        | (2)                           | (3)                | (4)                     | (5)                     | (6)                     | (7)                      | (8)                       | (9)                       | (10)                        | (11)                |
| <b>Tax Year 2008:</b>                |            |                               |                    |                         |                         |                         |                          |                           |                           |                             |                     |
| Number of taxable returns            | 90,660     | 3                             | 3,114              | 9,530                   | 10,757                  | 20,064                  | 29,097                   | 13,741                    | 3,460                     | 574                         | 319                 |
| Adjusted gross income (less deficit) | 7,583,462  | -3,102                        | 21,345             | 146,249                 | 268,626                 | 793,657                 | 2,078,215                | 1,831,327                 | 988,579                   | 390,236                     | 1,068,330           |
| Total income tax                     | 1,031,581  | 69                            | 598                | 5,078                   | 15,440                  | 56,953                  | 184,554                  | 232,270                   | 193,699                   | 93,899                      | 249,020             |
| Average tax rate (percent) [2]       | 13.6       | [3]                           | 2.8                | 3.5                     | 5.7                     | 7.2                     | 8.9                      | 12.7                      | 19.6                      | 24.1                        | 23.3                |
| <b>Tax Year 2007:</b>                |            |                               |                    |                         |                         |                         |                          |                           |                           |                             |                     |
| Number of taxable returns            | 96,273     | 6                             | 4,209              | 11,464                  | 11,593                  | 21,213                  | 29,877                   | 13,386                    | 3,484                     | 649                         | 391                 |
| Adjusted gross income (less deficit) | 8,072,294  | -5,805                        | 27,596             | 172,061                 | 289,357                 | 837,794                 | 2,128,157                | 1,783,982                 | 1,002,131                 | 440,314                     | 1,396,706           |
| Total income tax                     | *1,115,760 | 99                            | 733                | 6,825                   | 17,599                  | 61,368                  | 190,716                  | 228,755                   | 196,469                   | 103,163                     | 310,033             |
| Average tax rate (percent) [2]       | 13.8       | [3]                           | 2.7                | 4.0                     | 6.1                     | 7.3                     | 9.0                      | 12.8                      | 19.6                      | 23.4                        | 22.2                |
| <b>Change in:</b>                    |            |                               |                    |                         |                         |                         |                          |                           |                           |                             |                     |
| Number of taxable returns            | -5,613     | -2                            | -1,095             | -1,935                  | -836                    | -1,149                  | -780                     | 355                       | -24                       | -75                         | -72                 |
| Percent                              | -5.8       | -37.4                         | -26.0              | -16.9                   | -7.2                    | -5.4                    | -2.6                     | 2.7                       | -0.7                      | -11.6                       | -18.4               |
| Adjusted gross income (less deficit) | -488,832   | 2,703                         | -6,251             | -25,812                 | -20,731                 | -44,137                 | -49,943                  | 47,345                    | -13,552                   | -50,079                     | -328,375            |
| Percent                              | -6.1       | -46.6                         | -22.7              | -15.0                   | -7.2                    | -5.3                    | -2.3                     | 2.7                       | -1.4                      | -11.4                       | -23.5               |
| Total income tax                     | -84,180    | -30                           | -135               | -1,747                  | -2,160                  | -4,414                  | -6,162                   | 3,516                     | -2,770                    | -9,264                      | -61,014             |
| Percent                              | -7.5       | -30.1                         | -18.5              | -25.6                   | -12.3                   | -7.2                    | -3.2                     | 1.5                       | -1.4                      | -9.0                        | -19.7               |
| Average tax rate:                    |            |                               |                    |                         |                         |                         |                          |                           |                           |                             |                     |
| Percentage point change              | -0.2       | [4]                           | 0.1                | -0.5                    | -0.3                    | -0.1                    | -0.1                     | -0.1                      | [5]                       | 0.6                         | 1.1                 |

\* Revised from previously published value of 1,115.6

[1] Includes returns with adjusted gross deficit. Tax in these returns represents some combination of alternative minimum tax, Form 4972 tax on lump-sum distributions from qualified retirement plans, and Form 8814 tax on a child's interest and dividends not reflected in adjusted gross income or taxable income.

[2] Average tax rate is "total income tax" as a percentage of adjusted gross income less deficit (AGI). The average tax rate was calculated from unrounded data.

[3] Percentage not computed.

[4] Change not computed.

[5] Less than 0.05 percent.

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

for taxable returns in AGI classes under \$200,000 fell for 2008, remained the same in the \$200,000 to under \$500,000 class, and increased in AGI classes \$500,000 and higher.

### Marginal Tax Rate Classifications

A return's marginal tax rate is the highest statutory tax rate bracket applicable to that tax return. Marginal tax rate statistics are presented in Figure C and Table 1. These statistics are based on individual income tax returns showing a positive taxable income amount based on "tax generated" and items of income that were subject to the regular income

tax, generally those included in AGI.<sup>2</sup> The *Income and Tax Concepts* section of this article explains the determination of the marginal tax rate bracket into which a return is assumed to fall. Table 2 contains additional data based on ordinary tax rates and presents statistics on the income and tax generated at each ordinary tax rate by size of AGI.

For 2008, the number of individual returns with modified taxable income decreased 2.3 percent to 108.0 million.<sup>3</sup> The amount of modified taxable income reported on these returns decreased 6.8 percent to \$5,652.3 billion. The tax generated on these returns decreased by 6.4 percent to \$1,081.3

<sup>2</sup> Nontaxable (i.e., tax-exempt) forms of income, such as interest on State and local government obligations, were not included in AGI and generally did not affect the marginal tax rate. However, in some situations the receipt of some forms of tax-exempt income, such as tax-exempt interest, could have influenced the taxability of other income, in particular Social Security benefits. When this situation occurred, the income made taxable by the receipt of other forms of nontaxable income was included in AGI.

<sup>3</sup> The 2007 data are from Dungan, Adrian and Kyle Mudry, Individual Income Tax Rates and Shares, 2007, *Statistics of Income Bulletin*, Winter 2010, Volume 29, Number 3, p. 18-75.

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**Figure C**

## Returns with Modified Taxable Income: Tax Generated at All Rates on Returns with the Indicated Marginal Tax Rate, Tax Year 2008

[Money amounts are in thousands of dollars]

| Marginal tax rate classes      | Number of returns  |                  | Modified taxable income |                  | Tax generated        |                  |
|--------------------------------|--------------------|------------------|-------------------------|------------------|----------------------|------------------|
|                                | Number             | Percent of total | Amount                  | Percent of total | Amount               | Percent of total |
|                                | (1)                | (2)              | (3)                     | (4)              | (5)                  | (6)              |
| <b>Total</b>                   | <b>107,978,328</b> | <b>100.0</b>     | <b>5,652,315,095</b>    | <b>100.0</b>     | <b>1,081,295,469</b> | <b>100.0</b>     |
| *0 percent                     | 828,798            | 0.8              | 5,641,894               | 0.1              | 0                    | 0                |
| 5 percent (prior year rate)    | 36,171             | [1]              | 401,369                 | [1]              | 20,069               | 0.0              |
| 10 percent                     | 26,189,462         | 24.3             | 144,416,442             | 2.6              | 13,653,580           | 1.3              |
| 10 percent (Form 8814) [2]     | 19,088             | [1]              | 24,916                  | [1]              | 2,492                | 0.0              |
| 15 percent                     | 42,389,614         | 39.3             | 1,163,636,276           | 20.6             | 149,790,612          | 13.9             |
| 15 percent (capital gains) [3] | 7,742,786          | 7.2              | 453,870,406             | 8.0              | 57,572,176           | 5.3              |
| 25 percent                     | 23,286,637         | 21.6             | 1,644,133,455           | 29.1             | 278,040,704          | 25.7             |
| 25 percent (capital gains)     | 184,687            | 0.2              | 31,530,529              | 0.6              | 5,349,787            | 0.5              |
| 28 percent                     | 4,257,855          | 3.9              | 610,072,127             | 10.8             | 127,944,621          | 11.8             |
| 28 percent (capital gains)     | 18,108             | [1]              | 3,766,145               | 0.1              | 794,906              | 0.1              |
| 33 percent                     | 1,669,518          | 1.5              | 451,864,124             | 8.0              | 109,741,449          | 10.1             |
| 35 percent                     | 971,510            | 0.9              | 1,138,591,766           | 20.1             | 337,546,859          | 31.2             |
| Form 8615 [4]                  | 384,095            | 0.4              | 4,365,648               | 0.1              | 838,213              | 0.1              |

\* For tax year 2008, the 5 percent tax rate on qualified dividends and net capital gain was reduced to zero.

[1] Less than 0.05 percent.

[2] Form 8814 was filed for a dependent child, meeting certain age requirements, for whom the parents made an election to report the child's investment income on the parents' tax return. This rate classification is comprised of those returns with a tax liability only from the dependent's income.

[3] The 15 percent capital gains rate also includes qualified dividends.

[4] Form 8615 was filed for a child meeting certain age requirements, to report the child's investment income. The returns in this rate classification are not distributed by tax rate.

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

billion. Figure C presents the amounts and percentages of modified taxable income and income tax generated (before alternative minimum tax and reduction by tax credits, including the earned income credit) by the marginal tax rate categories (defined in the *Income and Tax Concepts* section of this article).

Returns with modified taxable income in the "15-percent" (ordinary income) marginal tax rate bracket contained the largest share of returns for 2008, at 39.3 percent. These returns reported 20.6 percent of modified taxable income for 2008 and generated 13.9 percent of income tax. Conversely, taxpayers in the "35-percent" (ordinary income) marginal rate, the least represented (ordinary income) bracket, accounted for only 0.9 percent of returns, but reported 20.1 percent of the modified taxable income and 31.2 percent of the tax generated (the largest of any tax bracket). The "10-percent" (ordinary income) marginal rate bracket reported the second largest share of returns, at 24.3 percent. However, such returns accounted for only 2.6 percent of modified income and 1.3 percent of income tax generated. With a 21.6-percent share

of returns, making it the third largest bracket, the "25-percent" (ordinary income) marginal rate bracket reported 29.1 percent of the modified taxable income and 25.7 percent of income tax generated. Returns in the "28-percent" (ordinary income) marginal rate bracket represented 3.9 percent of the total share of returns and accounted for 10.8 percent of the generated income tax. Returns in the "33-percent" (ordinary income) marginal rate bracket represented the second smallest share of ordinary tax rate returns, at 1.5 percent, and accounted for 8.0 percent of the modified taxable income and 10.1 percent of the tax generated. Returns in the capital gain and dividends 0-percent, 15-percent, 25-percent, and 28-percent tax brackets represented 8.2 percent of returns and reported a total of 8.8 percent of modified taxable income and 5.9 percent of the tax.

As shown in Table 2, the total tax generated for 2008 at the 15-percent rate was more than any other rate. The 34.9 percent of income taxed at this rate was reported by 74.3 percent of returns with modified taxable income, producing 27.4 percent

of tax generated. The 35-percent rate generated the next largest amount of income tax. Tax in that bracket was reported on only 0.9 percent of returns. However, 11.0 percent of all modified taxable income was taxed at this rate, generating 20.2 percent of tax generated. The 25-percent (ordinary income) rate had the third largest amount of tax generated. Tax in that bracket was reported on 28.1 percent of returns, with 15.4 percent of all modified taxable income taxed at this rate, generating 20.1 percent of the tax generated.

## Components of Total Income Tax

### Regular Tax

Regular tax is generally tax determined from a taxpayer's taxable income based on statutory tax rates. It does not include the "alternative minimum tax" (AMT) nor does it exclude allowable tax credits. Figure D illustrates the derivation of the aggregate tax generated for 2007 and 2008 returns. Table 1 includes two tax amounts: "tax generated" and "income tax after credits." Tables 5 through 8 and Figures A and B include an additional measure of tax, "total income tax," which also includes distributed tax on trust accumulations.

As shown (Figure D and column 5 of Table 1), the tax generated by applying statutory ordinary income and capital gain tax rates to modified taxable income was \$1,081.3 billion, a 6.4-percent decrease from 2007.<sup>4</sup> For most taxpayers, tax generated was equal to income tax before credits. However, for some taxpayers, income tax before credits included the alternative minimum tax (AMT) and/or special taxes on lump-sum distributions from qualified retirement plans (when a 10-year averaging method was used).<sup>5</sup> The AMT increased 6.4 percent to \$25.6 billion for 2008. Income tax before credits

was \$1,106.9 billion for 2008, down from \$1,179.5 billion, representing a 6.2-percent decrease from 2007. Taxpayers used \$75.4 billion of tax credits to reduce their income tax before credits. The earned income credit (EIC) is included in this computation to the extent that its application did not reduce income tax before credits below zero. Any portion of the EIC that is refundable to the taxpayer because it exceeds the taxpayer's liability and any portion of the EIC used to reduce taxes other than income taxes are excluded from the computation of income tax after credits.<sup>6</sup> Both income tax after credits (Figure D) and total income tax (the sum of income tax after credits and tax on trust accumulation distributions) totaled \$1,031.6 billion. These taxes both represented a 7.5-percent decrease from 2007.

For returns with modified taxable income, Table 4a shows estimates of income tax before credits by the type of tax computation. It shows the amount of tax before credits assuming that all taxable income is subject to regular tax rates with the amount of tax before credits actually computed after reflecting both regular tax rates and any special tax computations that the taxpayer is either permitted or required to make. In particular, qualified dividends and long-term capital gains are generally subject to lower tax rates and certain dependent tax filers are required to compute their tax as if their income were the marginal income of their parent or guardian.<sup>7</sup> The capital gains computations generally reduce taxes; the special provision for certain dependent filers can only increase taxes.

For 2008, 85.4 million returns had their tax before credits computed using only regular income tax rates, compared with 85.3 million for 2007 that used only regular tax computations, an increase of 0.2 percent. The top portion of Table 4a shows the data for these returns. Since these returns did not

<sup>4</sup> Tax generated does not include certain other taxes reported on the individual income tax return, such as self-employment tax (the Social Security and Medicare tax on income from self-employment), the Social Security tax on certain tip income, household employment taxes, tax from the recapture of prior-year investment, low-income housing, or other credits, penalty tax applicable to early withdrawals from an Individual Retirement Arrangement (IRA) or other qualified retirement plans, and tax on trusts, accumulation, and distributions. The statistics for "total tax liability," shown in Bryan, Justin, "Individual Income Tax Returns: 2008," *Statistics of Income Bulletin*, Fall 2010, Volume 29, Number 2, include these taxes.

<sup>5</sup> The income amounts on which these special computations for lump-sum distributions were based were not reflected in current-year AGI or current-year taxable income.

<sup>6</sup> For 2008, the total earned income credit was \$50.7 billion. This amount includes the amount used to reduce the income tax (\$1.0 billion), the amount used to reduce other taxes reported on individual income tax returns (\$5.4 billion), and the amount refunded to taxpayers (\$44.3 billion). Table 4 in Bryan, Justin, "Individual Income Tax Returns: 2008," *Statistics of Income Bulletin*, Fall 2010, Volume 29, Number 2, shows these amounts.

<sup>7</sup> Dependents with income of more than \$1,800 other than earned income could file their own returns but were suggested to calculate their tax on other than earned income in excess of \$1,800 as if it were their parent's or guardian's marginal income. Form 8814 was used to compute the higher tax. For dependents with only modest amounts of investment income, the parent or guardian could elect to include the dependent's income on the parent's tax return, relieving the dependent of having to file his or her own tax return.

# Individual Income Tax Rates and Shares, 2008

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**Figure D**

## Derivation of Tax Years 2007 and 2008 Total Income Tax as Shown in Statistics of Income

[Money amounts are in billions of dollars]

| Item   | 2007            | 2008           | Percentage change (2007-2008) |
|--|-----------------|----------------|-------------------------------|
|  | (1)             | (2)            | (3)                           |
| <b>Tax generated from tax rate schedules or tax table</b>                              | <b>1,155.4</b>  | <b>1,081.3</b> | <b>-6.4</b>                   |
| PLUS:  |                 |                |                               |
| Tax on lump-sum distributions from qualified retirement plans                          | [1]             | [1]            | [2]                           |
| Alternative minimum tax  | 24.1            | 25.6           | 6.4                           |
| EQUALS:  |                 |                |                               |
| <b>Income tax before credits</b>   | <b>1,179.5</b>  | <b>1,106.9</b> | <b>-6.2</b>                   |
| LESS: Tax credits, total [3]   | 63.8            | 75.4           | 18.1                          |
| Child-care credit  | 3.5             | 3.5            | 1.3                           |
| Child tax credit [3]   | 31.6            | 30.5           | -3.2                          |
| Education credit   | 6.9             | 7.6            | 10.5                          |
| Foreign tax credit   | 15.4            | 16.6           | 7.4                           |
| General business credit  | 0.8             | 1.6            | 95.1                          |
| Earned income credit (limited to the amount needed to reduce total income tax to zero) | 0.9             | 1.0            | 3.9                           |
| Credit for prior-year minimum tax  | 1.0             | 0.9            | -8.7                          |
| Retirement savings contribution credit   | 1.0             | 1.0            | 0.1                           |
| Other credits [4]  | 2.6             | 12.5           | 381.8                         |
| EQUALS:  |                 |                |                               |
| <b>Income tax after credits</b>  | <b>1,115.8</b>  | <b>1,031.6</b> | <b>-7.5</b>                   |
| PLUS: Trusts accumulation distribution   | [1]             | [1]            | [2]                           |
| EQUALS:  |                 |                |                               |
| <b>Total income tax</b>  | <b>*1,115.8</b> | <b>1,031.6</b> | <b>-7.5</b>                   |

\* Revised from previously published value of 1,115.6

[1] Less than \$0.05 billion.

[2] Percentage not computed.

[3] Does not include the additional child tax credit that for 2008 was \$20.43 billion which was refunded to taxpayers and not included in total income tax.

[4] Includes credits listed separately in table 2 of Individual Income Tax Returns: 2008, *Statistics of Income Bulletin*, Fall 2010, Volume 29, Number 2.

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

use any special tax computations, the difference due to special computation (shown in columns 4 and 8) is zero.

As shown in the middle section of Table 4a, for 2008, the number of tax returns filed by dependents under age 18 with Form 8615 for reporting investment income greater than \$1,800 (see *Changes in Law* section on tax on child's investment income) was a 0.4 million decrease of 8.4 percent from 2007. Form 8615 was used to compute the dependents' tax, as the dependents' income was the marginal income of the parent or guardian. This mandatory calculation can result in no change or an increase in tax before credits; it cannot lower the dependent's tax before credits. Thus, for Form 8615 filers, the difference in tax before credits due to special computations (column 8) reflects the combination of the lower tax from use of the special tax rates for dividends and capital gains and the possibly higher tax from the

required Form 8615 tax computation. The combination of the two offsetting provisions reduced taxes by \$26.1 million for 2008. The net tax reduction was due to a tax reduction of \$259.9 million from use of dividend and capital gains, and a tax increase of \$233.8 million from the Form 8615 tax computation.

As shown in the bottom section of Table 4a, for 2008, 20.9 million returns had their tax liability decreased by Schedule D (capital gains) and dividend tax computations. This was a decrease of 9.7 percent from the 23.2 million returns in 2007. Taxpayers filing these tax returns paid \$68.3 billion (column 8) less in tax before credits than they would have paid if they had not received the benefits of the lower tax rates for qualified dividends and capital gains. This was down from the \$125.7 billion in savings for 2007 due to use of these special tax rates. For these taxpayers, the average tax savings decreased from \$5,420 for 2007 to \$3,264 for 2008.

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## Alternative Minimum Tax

The Revenue Act of 1978 established the alternative minimum tax (AMT) to ensure that a minimum amount of income tax was paid by taxpayers who might otherwise be able to legally reduce, or totally eliminate, their tax burdens. The AMT provisions may recapture some of the tax reductions under the ordinary income tax. Form 6251, *Alternative Minimum Tax—Individuals*, is used to calculate AMT. (See the *Computation of Alternative Minimum Taxable Income* section of this article for an

explanation of the computation of income for AMT purposes.)

Figure E presents statistics, by size of AGI, on the AMT reported by taxpayers filing Form 6251 with their returns. Some taxpayers included, or were required to include, Form 6251, even though their tax liability was not increased due to the AMT. The tabulations in Figure E include such forms. For 2008, AMT liability rose 6.4 percent to \$25.6 billion from \$24.1 billion in 2007. However, the number of returns that were subject to paying the AMT

## Figure E

### Returns with Alternative Minimum Tax Computation Reported on Form 6251: Total Adjustments and Preferences, and Alternative Minimum Taxable Income and Tax, by Size of Adjusted Gross Income, Tax Years 2007 and 2008

[Money amounts are in thousands of dollars]

| Size of adjusted gross income | Total AMT adjustments and preferences [1] |                    | Alternative minimum taxable income [1] |                      | Alternative minimum tax |                   |
|-------------------------------|---|--------------------|--|----------------------|-------------------------|-------------------|
|                               | Number of returns                         | Amount             | Number of returns                      | Amount               | Number of returns       | Amount            |
|                               | (1)                                       | (2)                | (3)                                    | (4)                  | (5)                     | (6)               |
| Tax Year 2008                 |   |                    |  |                      |                         |                   |
| <b>All returns</b>            | <b>8,107,835</b>                          | <b>224,641,970</b> | <b>9,368,399</b>                       | <b>2,115,382,770</b> | <b>3,935,248</b>        | <b>25,649,084</b> |
| Under \$1 [2]                 | 152,087                                   | 4,400,620          | 190,461                                | -37,762,395          | 4,522                   | 84,315            |
| \$1 under \$10,000            | 135,449                                   | 411,187            | 409,114                                | 1,236,415            | 1,996                   | 1,667             |
| \$10,000 under \$20,000       | 204,348                                   | 697,478            | 396,431                                | 4,537,718            | 8,562                   | 6,595             |
| \$20,000 under \$30,000       | 244,123                                   | 1,156,030          | 383,820                                | 7,332,580            | 7,219                   | 12,141            |
| \$30,000 under \$40,000       | 248,545                                   | 1,249,629          | 357,634                                | 10,265,392           | 1,668                   | 6,468             |
| \$40,000 under \$50,000       | 251,762                                   | 1,501,893          | 349,773                                | 13,469,193           | 5,194                   | 19,507            |
| \$50,000 under \$75,000       | 732,349                                   | 6,685,113          | 899,497                                | 48,078,894           | 73,921                  | 84,395            |
| \$75,000 under \$100,000      | 739,983                                   | 9,068,168          | 823,847                                | 62,818,884           | 113,642                 | 236,706           |
| \$100,000 under \$200,000     | 2,083,231                                 | 38,956,482         | 2,178,359                              | 285,292,652          | 860,296                 | 2,008,640         |
| \$200,000 under \$500,000     | 2,684,791                                 | 74,901,818         | 2,736,825                              | 740,279,297          | 2,448,210               | 13,649,960        |
| \$500,000 under \$1,000,000   | 429,813                                   | 27,025,070         | 438,358                                | 269,265,523          | 324,641                 | 4,215,840         |
| \$1,000,000 or more           | 201,354                                   | 58,588,480         | 204,279                                | 710,568,617          | 85,375                  | 5,322,850         |
| Tax Year 2007                 |   |                    |  |                      |                         |                   |
| <b>All returns</b>            | <b>8,325,185</b>                          | <b>218,756,003</b> | <b>9,526,358</b>                       | <b>2,432,176,844</b> | <b>4,108,964</b>        | <b>24,109,512</b> |
| Under \$1 [2]                 | 109,278                                   | 2,292,737          | 132,102                                | -14,682,314          | 6,169                   | 106,219           |
| \$1 under \$10,000            | 110,137                                   | 218,211            | 362,739                                | 1,221,138            | 1,466                   | 2,864             |
| \$10,000 under \$20,000       | 189,939                                   | 534,021            | 367,787                                | 4,181,188            | 8,214                   | 6,107             |
| \$20,000 under \$30,000       | 214,709                                   | 832,026            | 349,632                                | 7,043,005            | 5,666                   | 8,629             |
| \$30,000 under \$40,000       | 244,687                                   | 1,395,560          | 358,553                                | 10,446,888           | 5,115                   | 8,849             |
| \$40,000 under \$50,000       | 241,378                                   | 1,381,231          | 315,227                                | 12,246,893           | 7,134                   | 12,879            |
| \$50,000 under \$75,000       | 752,168                                   | 6,309,412          | 910,219                                | 49,652,638           | 74,106                  | 83,941            |
| \$75,000 under \$100,000      | 788,244                                   | 8,771,119          | 885,845                                | 68,031,169           | 136,851                 | 192,099           |
| \$100,000 under \$200,000     | 2,265,291                                 | 38,023,877         | 2,360,024                              | 308,216,266          | 956,648                 | 1,929,652         |
| \$200,000 under \$500,000     | 2,697,391                                 | 69,838,422         | 2,758,934                              | 748,763,224          | 2,461,091               | 12,215,802        |
| \$500,000 under \$1,000,000   | 461,619                                   | 25,483,663         | 471,667                                | 291,789,822          | 335,677                 | 3,974,004         |
| \$1,000,000 or more           | 250,341                                   | 63,675,721         | 253,630                                | 945,266,926          | 110,825                 | 5,568,462         |

[1] See Figures I and J for the calculation of alternative minimum taxable income and the list of alternative minimum tax adjustments and preferences.

[2] Includes returns with adjusted gross deficit.

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

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**Figure F**

## Alternative Minimum Tax, Tax Years 1986–2008

[Tax rates are in percentages—money amounts are in thousands of dollars]

| Tax year | Highest statutory alternative minimum tax rate | Alternative minimum tax |            |
|----------|--|-------------------------|------------|
|          |  | Number of returns       | Amount     |
|          | (1)  | (2)                     | (3)        |
| 1986     | 20   | 608,907                 | 6,713,149  |
| 1987     | 21   | 139,779                 | 1,674,898  |
| 1988     | 21   | 113,562                 | 1,027,884  |
| 1989     | 21   | 117,483                 | 831,012    |
| 1990     | 21   | 132,103                 | 830,313    |
| 1991     | 24   | 243,672                 | 1,213,426  |
| 1992     | 24   | 287,183                 | 1,357,063  |
| 1993     | 28   | 334,615                 | 2,052,790  |
| 1994     | 28   | 368,964                 | 2,212,094  |
| 1995     | 28   | 414,106                 | 2,290,576  |
| 1996     | 28   | 477,898                 | 2,812,746  |
| 1997     | [1] 28   | 618,072                 | 4,005,101  |
| 1998     | [1] 28   | 853,433                 | 5,014,549  |
| 1999     | [1] 28   | 1,018,063               | 6,477,697  |
| 2000     | [1] 28   | 1,304,197               | 9,600,840  |
| 2001     | [1] 28   | 1,120,047               | 6,756,705  |
| 2002     | [1] 28   | 1,910,789               | 6,853,901  |
| 2003     | [1] 28   | 2,357,975               | 9,469,803  |
| 2004     | [1] 28   | 3,096,299               | 13,029,239 |
| 2005     | [1] 28   | 4,004,756               | 17,421,071 |
| 2006     | [1] 28   | 3,966,540               | 21,564,586 |
| 2007     | [1] 28   | 4,108,964               | 24,109,512 |
| 2008     | [1] 28   | 3,935,248               | 25,649,084 |

[1] Top rate on most long-term capital gains was 20 percent, for 2003-08 the top rate was 15 percent.

decreased by 0.2 million for the period.<sup>8</sup> Alternative Minimum Taxable Income (AMTI) for all returns filing a Form 6251 decreased 13.0 percent to \$2.1 trillion from 2007.

Figure F shows the number of taxpayers with AMT liability and the amount of that liability for each of the years 1986 through 2008. Much of the variation in the number of taxpayers affected by the AMT and in the amount of AMT liability during the mid-to-late 1980s and early 1990s was attributable to tax law changes such as TRA86, Revenue Reconciliation Act of 1990 (RRA90), and the Omnibus Budget Reconciliation Act (OBRA93), each of which altered the AMT. Since then, the impact of the AMT has increased partially because the AMT exemptions

have not been automatically indexed annually for the effects of inflation, whereas various parameters of the ordinary income tax (such as tax brackets, exemptions, etc.) have been indexed annually for inflation. In both EGTRRA in 2001 and JGTRRA in 2003, AMT exemptions were increased, while ordinary tax rates declined. For 2008, AMT levels rose to \$25.6 billion. Since 2001, the generated amount of the AMT has increased by a total of 279.6 percent. Also, during this same time, the number of returns paying AMT has more than tripled, from 1.1 million to 3.9 million.

### Income and Tax Shares

Historical statistics from 1986 through 2008 on income and tax by cumulative percentiles (based on numbers of returns) are presented in Tables 5 through 8. Distributions of AGI as defined for each year, and tax or income item, by descending and ascending cumulative percentiles of returns, are presented in Tables 5 and 6. These tables can be used to make comparisons across cumulative percentile classes within each year, for tax years beginning in 1986.

Tables 5 and 7 are based on percentiles of returns cumulated downward from the highest income returns. The data in Tables 5 and 7 are shown for the top 0.1 percent (Table 5 only), 1 percent, 5 percent, 10 percent, 25 percent, and 50 percent of returns. Tables 6 and 8 are based on returns cumulated upward from the lowest income returns. Data are shown for the bottom 50 percent, 75 percent, 90 percent, 95 percent, and 99 percent of all returns.

Consider, for example, the data in Table 5 for the 140.0 million returns filed for 2008 with positive AGI.<sup>9</sup> The average tax rate for these returns was 12.2 percent, a 0.44-percentage point decrease from 2007. (A sizable portion of returns with positive AGI are nontaxable, accounting for the difference in the computation of this particular average tax rate versus the 13.6-percent average tax rate for taxable returns only, shown in Figure A.) As expected for a graduated income tax system, the top 1 percent, 5 percent, 10 percent, 25 percent, and 50 percent all recorded a larger share of the income tax burden than their respective shares of AGI. For 2008, the returns in

<sup>8</sup> Other tax returns may not have had AMT liability but the size of their tax credits may have been reduced because of the AMT.

<sup>9</sup> The percentile groupings of tax filers exclude returns with zero or negative AGI.

the top 0.1 percent reported 10.0 percent of total AGI and 18.5 percent of total income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was \$1,803,585. For 2007, the returns in this percentile group (i.e., those with at least \$2,155,365 in AGI) reported 11.9 percent of total AGI and 20.2 percent of total income tax.

For 2008, the returns in the top 1 percent reported 20.0 percent of total AGI and 38.0 percent of income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was \$380,354. For 2007, the returns in this percentile group (i.e., those with at least \$410,096 in AGI) reported 22.8 percent of total AGI and 40.4 percent of total income tax.

For 2008, the returns in the top 5-percent group (returns reporting AGI of \$159,619 or more) reported 34.7 percent of total AGI and 58.7 percent of income tax, compared to 37.4 percent and 60.6 percent, respectively, for 2007 (when the AGI floor was \$160,041). For 2008, returns in the top 10-percent group (returns with AGI of at least \$113,799) reported 45.8 percent of AGI and paid 69.9 percent of income tax. For 2007, the returns in this percentile group (with AGI of \$113,018 or more) reported 48.1 percent of total AGI and 71.2 percent of income tax. The top 50-percent group (reporting AGI of \$33,048 or more) accounted for 87.2 percent of AGI and paid almost all (97.3 percent) of the income tax for 2008.

The statistics by percentile in Tables 5 and 6 for years prior to 1991 and in Tables 7 and 8 for years prior to 1994 were estimated, using a mathematical technique called “osculatory interpolation,” applied to aggregated data tabulated by income-size classes, in order to distribute the tax returns within each class.<sup>10</sup> For 1991 and later years, the statistics by percentiles in Tables 5 and 6, were computed based on an actual ranking of the returns in the statistical sample that served as the basis for Individual Statistics of Income estimates. The same was done for Tables 7 and 8 for 1994 and later years. The differences under the two methods were judged to be minor enough so that the pre-1991 and post-1990 data are believed to be comparable for Tables 5 and 6. Similarly for Tables 7 and 8, pre-1994 and post-1993 data are believed to be comparable.

## Explanation of Selected Terms

This section provides brief explanations of the major tax concepts discussed in this article. For more extensive definitions, see *Individual Income Tax Returns 2008*, Statistics of Income Division, Internal Revenue Service, Publication 1304.

*Adjusted gross income*—Adjusted gross income is “total income,” as defined by the Internal Revenue Code, less “statutory adjustments” (primarily business, investment, or certain other deductions, such as payments to a Keogh self-employed retirement plan, certain deductible contributions to an Individual Retirement Arrangement (IRA), self-employed health insurance deductions, and one-half of Social Security taxes for the self-employed). Total income includes, for example, salaries and wages, taxable interest, dividends, alimony, and net amounts from such sources as business income, rents and royalties, and sales of capital assets.

*Difference due to special tax computation*—For this article, the tax difference is the amount of tax resulting from using provisions of one of the special tax computations (Form 8615 or Schedule D and qualified dividends) less the amount of tax that would have resulted from not having used any of these provisions (regular tax computation).

*Dividends*—Ordinary dividend income consisted of distributions of money, stock, or other property received by taxpayers from domestic and foreign corporations, either directly or passed through estates, trusts, partnerships, or regulated investment companies. Ordinary dividends also included distributions from money market mutual funds.

Ordinary dividends did not include nontaxable distributions of stock or stock rights, returns of capital, capital gains, or liquidation distributions. Taxpayers were also instructed to exclude amounts paid on deposits or withdrawable accounts in banks, mutual savings banks, cooperative banks, savings and loan associations, and credit unions, which were treated as interest income.

Qualified dividends are the ordinary dividends received in tax years beginning after 2002 that met certain conditions. These conditions include: the dividend must have been paid by a U.S. corporation or a “qualified” foreign corporation; the stock

<sup>10</sup> For an explanation of the osculatory interpolation technique, see Oh, H. Lock, “Osculatory Interpolation with a Monotonicity Constraint,” 1977 Proceedings of the American Statistical Association, Section on Statistical Computing, 1978.

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ownership must have met certain holding period requirements; the dividends were not from certain institutions, such as mutual savings banks, cooperative banks, credit unions, tax-exempt organizations, or farmer cooperatives; and the dividends were not for any share of stock which was part of an employee stock ownership plan (ESOP). The maximum tax rate for qualified dividends was 15 percent generally (or 0 percent for amounts that would otherwise have been taxed at the 10-percent or 15-percent regular income rates).

*Form 8615 tax computation*—Form 8615, in addition to being used to figure the tax of certain children who are under 18, was required to figure the tax for a child with investment income of more than \$1,800 if the child:

- (1) Was age 18 at the end of 2008 and did not have earned income that was more than half of the child's support, or
- (2) Was a full-time student over age 18 and under age 24 at the end of 2008 and did not have earned income that was more than half of the child's support.

*Income tax before credits*—This amount consisted of the tax liability on taxable income, computed by using the tax tables, tax rate schedules, Schedule D Tax worksheet, foreign-earned income tax worksheet, Schedule J, or Form 8615, plus Form (s) 8814, any additional taxes from Form 4972, and the alternative minimum tax.

*Income tax before credits (regular tax computation)*—This amount consisted of the tax liability on ordinary income, computed by using the tax table or applying the rates from one of the four tax rate schedules, plus any additional tax (tax on lump-sum distributions from qualified retirement plans). When Form 8615 tax was payable on investment income of children, for this concept, all the income was taxed at the child's rate rather than at the rate of the parents. When the Schedule D tax was payable on net long-term capital gains, the tax was based on the regular tax rates rather than the 0-percent, 15-percent, 25-percent, or 28-percent tax rate for capital gains. When a tax was payable on a qualified dividend, the tax was based on regular tax rates instead of the maximum tax rate for qualified dividends, 15 percent

(0 percent for amounts that would otherwise have been taxed in the 10-percent tax bracket). This is in contrast to the computation of Income tax before credits (see above) in which special tax computations such as those involved on Form 8615, Schedule D and qualified dividends are taken into account. See Table 4.

*Marginal tax rate*—See *Income and Tax Concepts*.

*Modified taxable income*—See *Income and Tax Concepts*.

*Regular tax computation*—Depending on marital status and size of taxable income, the taxpayer used one of the four tax rate schedules (or an approximation from the tax table) to determine tax. Returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method.

*Schedule D and qualified dividend tax computation*—Schedule D was used to compute the 0-percent, 15-percent, 25-percent, and 28-percent taxes on net long-term capital gains (in excess of net short-term capital losses) if such computations were beneficial to the taxpayer. Any investment interest allocated to long-term capital gains (on Form 4952) was excluded from this computation. Qualified dividends were taxed at a maximum tax rate of 15 percent (0 percent for amounts that would otherwise have been taxed in the 15-percent bracket).

*Taxable income*—Taxable income is AGI less the sum of personal exemption amounts and either the standard deduction for non-itemizers or total itemized deductions. The amounts for personal exemptions and total itemized deductions are net of any reductions because of taxpayers' incomes exceeding certain income thresholds.

*Taxable returns*—A return is classified as "taxable" based on the presence of "total income tax." The following additional taxes were not taken into account for this purpose: self-employment; household employment; Social Security; Railroad Retirement Tax Act (RRTA) taxes; tax from recomputing prior-year investment; low-income housing and a few other business credits; penalty taxes on Individual Retirement Arrangements; section 72 penalty taxes; advance earned income credit payments; or "golden parachute" payments (made to key employees as compensation under certain circumstances).

*Tax generated*—This is the amount of tax computed on modified taxable income either from the tax rate schedules or the tax table. Tax generated does not take into account the alternative minimum tax or the effect of tax credits. For most returns (those without the special tax on lump-sum distributions from qualified retirement plans or alternative minimum tax), tax generated equals “income tax before credits.”

*Total income tax*—This is the sum of income tax after credits and tax on accumulated trust distribution from Form 4970, less the portion of EIC used to offset other taxes as well as the refundable portion of EIC (with tax limited to zero).

## Income Tax Structure

Taxpayers must file an income tax return if they meet certain minimum filing requirements. The filing requirements for 2008 were generally based on the amount of “gross income,” filing status, age, dependency, and blindness.<sup>11</sup> Generally, the minimum level of income for which a return was required to be filed equaled the sum of the standard deduction for the particular filing status and the amount of the personal exemption deduction allowed for the taxpayer or taxpayers (but not for any dependents). In addition to the general filing requirements, individuals were required to file a return for Tax Year 2008 if they had net earnings from self-employment of at least \$400; liability for Social Security or Medicare tax on unreported tip income; Social Security, Medicare, or Railroad Retirement tax on reported tip income or group-term life insurance; “alternative minimum tax”; tax on qualified retirement plan distributions, including an Individual Retirement Arrangement (IRA) or a Medical Savings Account (MSA); tax on the recapture of investment credit, low-income housing credit, or a few other business credits; recapture tax on the

disposition of a home purchased with a Federally subsidized mortgage; any advance earned income credit payments; or wages of \$108.28 or more from a church or qualified church-controlled organization that was exempt from Social Security taxes.

Gross income includes all income received as money, goods, property, or services that was not expressly exempt from tax.<sup>12</sup> Adjusted gross income (AGI) is equal to gross income less deductions for certain expenses.<sup>13</sup> “Taxable income,” the base on which income tax before credits is computed, equals AGI less the amount for personal exemptions and less either total allowable itemized deductions for taxpayers who itemize deductions, or the standard deduction (including the additional amounts for age and blindness) for all other taxpayers. The amounts for personal exemptions and total itemized deductions are net of any reductions because of taxpayers’ incomes exceeding certain income thresholds.

Income tax before credits is calculated from taxable income using: tax tables or tax rate schedules, both of which vary with taxpayer filing status (single, married filing jointly, surviving spouse, married filing separately, and head of household); Form 8615 or Form 8814 for children’s investment income; Schedule J for farmers and fishermen to income-average; foreign-earned income worksheet; Schedule D and Qualified Dividends worksheet for net long-term capital gains and qualified dividends; or some combination of the above. For 2008, the tax rates for each filing status were 0 percent, 10 percent, 15 percent, 25 percent, 26 percent, 28 percent, 33 percent, and 35 percent. The tax rates of 0 percent and 15 percent were used for qualified dividends and net long-term capital gains (in excess of net short-term capital losses). The 26-percent tax rate was only for the alternative minimum tax. Income tax before credits includes any alternative minimum tax.<sup>14</sup>

<sup>11</sup> Taxpayers fall into one of five filing statuses: single; married filing jointly; married filing separately; head of household; or surviving spouse. Being age 65 or older or being legally blind affects the amount of the standard deduction and, hence, the filing requirements. Taxpayers who are (or could be) dependents of other taxpayers have different filing requirements. For more information on the general filing requirements, see Bryan, Justin, “Individual Income Tax Returns: 2008,” *Statistics of Income Bulletin*, Fall 2010, Volume 30, Number 2.

<sup>12</sup> As defined under section 61 of the Internal Revenue Code, gross income includes amounts from wages and salaries, interest and dividends, alimony, bartering income, canceled debt income, gambling winnings, rents and royalties, and gains from property sales or exchanges, as well as gross income from sole proprietorships and farming, income from partnerships and S corporations, and distributions from estates and trusts. This definition of gross income is slightly different from the Form 1040, U.S. Individual Income Tax Return, concept of “total income,” which is a component of the adjusted gross income (AGI) calculation on Form 1040. Total income includes net amounts rather than gross amounts (income prior to deductions) from such items as business income and rents and royalties.

<sup>13</sup> As defined under Internal Revenue Code section 62, deductible expenses are those incurred in the course of a trade or business or in connection with rents and royalties; losses from property sales or exchanges; and certain statutory adjustments, such as deductible contributions to an IRA or Keogh plan, moving expenses, the health insurance deduction for certain self-employed taxpayers, and one-half of self-employment tax.

<sup>14</sup> Income tax before credits includes tax on lump-sum distributions from qualified retirement plans.

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To calculate their Federal income tax liability for 2008, taxpayers used either the tax table or the tax rate schedules. Taxpayers with taxable income less than \$100,000 were required to use the tax table, while those with taxable income of \$100,000 or more were required to use the tax rate schedules. The tax table was based on income tax “brackets” up to \$50 wide.<sup>15</sup> The tax within each bracket was based on the tax calculated at the midpoint of the bracket and then rounded to the nearest whole dollar. As a result, the tax tables and the tax rate schedules could produce different amounts of tax for the same amount of taxable income. Use of the tax tables could have produced either a slightly higher or lower amount of tax than that produced by the tax rate schedules. For taxpayers using the tax tables with taxable income that was subject to the 28-percent marginal rate, the maximum difference in tax between the tax rate schedules and the tax table was \$8.00.<sup>16</sup> However, for most taxpayers, the actual difference in tax was smaller.

## Changes in Law for 2008

The definitions used in this article are generally the same as those in *Statistics of Income—2008, Individual Income Tax Returns* (IRS Publication 1304). The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the Tax Year 2008 data presented in this article.

**Additional child tax credits**—Modifications were made to the additional child tax credit for 2008. In Tax Year 2007, the credit limit based on earned income was 15 percent of a taxpayer’s earned income that exceeded \$11,750. For 2008, the limit was 15 percent of a taxpayer’s earned income that exceeded \$8,500.

**Alternative minimum tax (AMT)**—For Tax Year 2008, the minimum exemption rose to \$69,950 for a married couple filing a joint return, up from \$66,250 in 2007, and to \$46,200 for singles and heads of household, up from \$44,350, and to \$34,975 from \$33,125 for a married person filing separately.

**Earned income credit**—The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends and capital gain income) a taxpayer could have and still claim the credit increased to \$2,950 from \$2,900. The maximum credit for taxpayers with no qualifying children increased to \$438 from \$428. For these taxpayers, earned income and AGI had to be less than \$12,880 (\$15,880 if married filing jointly) to get any EIC. For taxpayers with one qualifying child, the maximum credit increased \$64 to \$2,917 and, for taxpayers with two or more qualifying children, the maximum credit increased to \$4,828 from \$4,716. To be eligible for the credit, a taxpayer’s earned income and AGI had to be less than \$33,995 (\$36,995 for married filing jointly) for one qualifying child, or less than \$38,646 (\$41,646 for married filing jointly) for two or more qualifying children.

**Exemption amount**—For Tax Year 2008, the exemption amount increased by \$100 to \$3,500. Taxpayers could have lost a portion of their exemption benefits if their adjusted gross income was above certain amounts (\$119,975 married persons filing separately, \$159,950 single individuals, \$199,950 for heads of household, and \$239,950 for married persons filing jointly or qualifying widow(er)s). For 2008, a taxpayer could lose no more than one-third of the dollar amount of their exemption, so the amount of each exemption could not be reduced to less than \$2,333. For 2007 and 2006, a taxpayer could lose no more than two-thirds of the dollar amount of their exemption. For 2005 and previous years, exemption amounts could be reduced to zero.

**First-time homebuyer credit**—New for Tax Year 2008, a taxpayer may have claimed this refundable credit if he or she bought a home after April 8, 2008, and did not own a main home during the prior 3 years. Taxpayers were allowed to claim this credit in Tax Year 2008 or 2009, if their modified adjusted gross income was below \$95,000 (\$170,000, if married filing jointly). For homes purchased in

<sup>15</sup> For taxable income between \$0 and \$5 and between \$5 and \$25, the tax brackets were \$5 and \$10 wide, respectively. For taxable income between \$25 and \$3,000, the brackets were \$25 wide. For taxable income above \$3,000, the brackets were \$50 wide.

<sup>16</sup> For example, assume a taxpayer filing as “married filing separately” reported taxable income of \$99,950. Using the tax table, the tax would be \$22,365, but, using the tax rate schedules, the tax would be \$22,358, a difference of \$7.00.<sup>17</sup> For more details on the income computation under the 1979 Income Concept for 2008, see *Individual Income Tax Returns 2008*, Statistics of Income Division, Internal Revenue Service, Publication 1304.

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2008, the credit operated much like an interest-free loan. Taxpayers generally had to repay the credit over a 15-year period. For homes purchased in 2009, taxpayers had to repay the credit only if the home ceases to be their main home within a 36-month period beginning on the purchase date. For 2008, 1.2 million taxpayers claimed this credit for a total of \$8.4 billion.

*General business credit*—For 2008, certain business credits such as the investment credit were allowed against the alternative minimum tax.

*Health savings account deduction*—For Tax Year 2008, contributions were not limited to the taxpayers annual health plan deductible. The maximum HSA deduction increased by \$50 to \$2,900 (\$5,800, if family coverage, up from \$5,650). These limits were \$900 higher if the taxpayer was age 55 or older.

*Heartland Disaster Tax Relief Act of 2008*—Temporary tax relief was enacted as a result of severe storms, tornadoes, or flooding affecting Midwestern disaster areas after May 19, 2008, and before August 1, 2008. Major provisions provided by this relief act included:

- (1) Suspended limits for certain personal casualty losses and cash contributions;
- (2) An additional exemption amount if a taxpayer provided housing for a person displaced by the Midwestern disaster;
- (3) An election to use 2007 earned income to calculate 2008 EIC and additional child tax credit.

*Indexing*—The following items increased due to indexing for inflation: personal exemption amounts, the basic standard deduction amounts, the tax bracket boundaries, and the beginning income amounts for limiting certain itemized deductions and for the phaseout of personal exemptions. Also, the maximum amount of earnings subject to self-employment social security tax increased based on the percentage change in average covered earnings.

*Individual retirement arrangement deduction*—For 2008, a taxpayer (or both taxpayers for taxpayers filing jointly) may have been able to take a deduction for an IRA contribution up to \$5,000 (\$6,000 if age 50 or older). Taxpayers not covered by a retirement plan may have been able to deduct all contributions. The phase-out range for deductible

IRA contributions for those covered by a retirement plan began at income of \$85,000, if married filing jointly or a qualifying window(er), up from \$83,000 in 2007. The phaseout was \$53,000 for single person or head of household, up from \$52,000 in 2007, and at \$0 for a married person filing a separate return. A taxpayer may have been able to deduct an additional \$3,000 if he or she were a participant in a 401(k) plan and his or her employer was in bankruptcy in an earlier year.

*Limit on itemized deductions increased*—Taxpayers who had adjusted gross income above \$159,950 (\$79,975, if married filing separately) could have lost part of their deduction for itemized deductions. This was an increase from 2007 amounts of \$156,400 (\$78,200, if married filing separately). For Tax Year 2008, the amount by which the deduction was reduced was one-third of the amount of the reduction that would have otherwise applied for 2005 and previous years. For Tax Years 2007 and 2006, the amount by which the deduction was reduced was two-thirds of the amount of the reduction that would have otherwise applied for 2005 and previous years.

*Qualified dividends and net capital gain*—For Tax Year 2008, the 5-percent tax rate on qualified dividends and net capital gain for taxpayers whose marginal tax rate on ordinary income was 10 percent or 15 percent was reduced to zero. For 2008, 10.9 million taxpayers had a total of \$48.9 billion in this rate.

*Real estate tax and net disaster loss deduction*—New for 2008, taxpayers could increase their standard deduction by a limited amount of their State and local real estate taxes and their net disaster loss. Taxpayers could have increased their standard deduction by the State and local real estate taxes paid, up to \$500 (\$1,000, if married filing jointly). This deduction was for the real estate taxes that would have been deductible on Schedule A if the taxpayer had itemized their deductions. A taxpayer's net disaster loss was figured by taking their personal casualty losses from a Federally declared disaster minus any personal casualty gains. A total of \$12.1 billion were deducted due to the addition of these two new provisions. Most of this (\$11.3 billion) was deducted by 15.7 million taxpayers for real estate taxes paid.

*Recovery rebate credit*—A taxpayer was able to take this credit only if he or she had not received an economic stimulus payment in Tax Year 2007 or if

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his or her economic stimulus payment was less than \$600 (\$1,200, if married filing jointly) plus \$300 for each qualifying child the taxpayer had for 2008. This credit was figured like the economic stimulus payment the previous year, except the amounts were based on Tax Year 2008 instead of Tax Year 2007. The maximum credit was \$600 (\$1,200, if married filing jointly) plus \$300 for each qualifying child.

**Residential energy credit**—The credit for nonbusiness energy property expired and did not apply for 2008.

**Standard deduction amount increased**—The standard deduction for people who did not itemize deductions on Schedule A of Form 1040 was, in most cases, higher for 2008 than it was in 2007. The amount depended on filing status, being 65 or older or blind, and whether an exemption could be claimed for a taxpayer by another person. For 2008, the standard deduction increased to \$10,900 for joint filers, up from \$10,700 in 2007. For single filers and married filing separately the deduction amount increased by \$100 to \$5,450. For heads of households, the deduction was \$8,000 (\$150 higher than in 2007). In addition, the additional standard deduction for being 65 or older or blind was increased by \$50 per taxpayer for single and head of household filers only. As mentioned above, the standard deduction could be increased by a limited amount of real estate taxes paid and certain net casualty losses.

**Tax on child's investment income**—New for 2008, Form 8615, in addition to being used to figure the tax of certain children who are under 18, was required to figure the tax for a child with investment income of more than \$1,800 if the child:

- (1) Was age 18 at the end of 2008 and did not have earned income that was more than half of the child's support, or
- (2) Was a full-time student over age 18 and under age 24 at the end of 2008 and did not have earned income that was more than half of the child's support.

## Income and Tax Concepts

As discussed in the *Income Tax Structure* section, gross income is all income received that is not specifically excluded. Total income is the net amount of

## Figure G

### Components of the 1979 Income Concept, Tax Year 2008

#### Income or Loss:

- Salaries and wages [1]
- Interest [1]
- Dividends [1]
- Taxable refunds [1]
- Alimony received [1]
- Capital gain distributions not reported on Schedule D [1]
- Capital gains reported on Schedule D minus allowable losses [1]
- Other gains and losses (Form 4797) [1]
- Business net income or loss [1]
- Farm net income or loss [1]
- Rent net income or loss [1]
- Royalty net income or loss [1]
- Partnership net income or loss [1]
- S Corporation net income or loss [1]
- Farm rental net income or loss [1]
- Estate or trust net income or loss [1]
- Unemployment compensation [1]
- Depreciation in excess of straight-line depreciation [2]
- Total pension income [3], [4]
- Other net income or loss [5]
- Net operating loss [1]

#### Deductions:

- Disallowed passive losses (Form 8582) [6]
- Moving expenses [1]
- Alimony paid [1]
- Unreimbursed business expenses [6]

[1] Included in adjusted gross income (less deficit) (AGI) for Tax Year 2008.

[2] Adjustment to add back excess depreciation (accelerated over straight-line depreciation) deducted in the course of a trade or business and included in net income (loss) amounts shown above.

[3] Includes taxable and tax-exempt pension and retirement distributions, including IRA distributions.

[4] Not fully included in AGI for Tax Year 2008.

[5] Includes an adjustment to add back amounts reported for the "foreign-earned income exclusion."

[6] Not included in AGI for Tax Year 2008.

gross income after certain expenses (i.e., business or rent and royalty expenses) have been deducted. Adjusted gross income (AGI) is total income less statutory adjustments to income (i.e., deductible contributions to an IRA or Keogh plan).

## 1979 Income Concept

To analyze changes in income and taxes over a period of years, a consistent definition of income should be used. Because the components of AGI may vary from year to year as the law changes, the "1979 Income Concept" was developed to provide a more uniform measure of income across tax years. By including the same income and deduction items in each year's income calculation and using only

**Figure H**

**Income Tax Calculation for a Single Taxpayer With One Exemption Who Used the Standard Deduction, Tax Year 2008**

[Money amounts are in dollars]

| Item   | Amount    |
|--|-----------|
| Adjusted gross income                        | 410,000   |
| Less: Exemption                              | [1] 2,333 |
| Standard deduction                           | 5,450     |
| Equals: Taxable income                       | 402,217   |
| Tax based on tax rates for single taxpayers: |           |
| First \$8,025 taxed at 10 percent            | 803       |
| Next \$24,525 taxed at 15 percent            | 3,679     |
| Next \$46,300 taxed at 25 percent            | 11,575    |
| Next \$85,700 taxed at 28 percent            | 23,996    |
| Next \$193,150 taxed at 33 percent           | 63,740    |
| Next \$44,517 taxed at 35 percent            | 15,581    |
| Total tax from tax rate schedule             | 119,373   |

[1] The exemption amount was limited to \$2,333 because AGI exceeded \$282,450.

items available on Federal individual income tax returns, the definition of the 1979 Income Concept is consistent throughout the base years and can be used for future years to compare income by including only income components common to all years. Tax Years 1979 through 1986 were used as base years in identifying the income and deduction items included in this concept. The 1979 Income Concept applied to 2008 includes many income and deduction items that are also components of AGI (Figure G). However, unlike AGI, the 1979 Income Concept also includes some nontaxable (i.e., tax-exempt) amounts of income reported on individual income tax returns and disallowed passive loss deductions. In addition, only straight-line deductions for depreciation are included in the 1979 Income Concept.<sup>17</sup>

**Modified Taxable Income**

This concept is relevant only for “prior-year returns” (about 4.3 million returns) or certain farm sole proprietor returns using income-averaging on Schedule J (about 82 thousand returns) or those returns with foreign-earned income having to use a worksheet to determine their taxes (about 171.6 thousand returns). For all other returns, modified taxable income is identical to taxable income.

This is the term used in the statistics to describe “income subject to tax,” the actual base on which tax

is computed. Each year, a small number of returns for prior tax years are filed during the same calendar year in which the tax returns for the current tax year are being selected for the *Statistics of Income* sample. Some of these returns are selected for the sample and act as proxies for returns for the current tax year that will be filed during a later calendar year. The tax on these returns is based on a previous year’s tax law (which may reflect different tax rates and income concepts). For the statistics in this article, the taxable incomes reported on these prior-year returns and those filed with a Schedule J or foreign-earned income are modified to equal an amount necessary to generate the tax actually shown on these returns using current-year rates.

**Marginal Tax Rates**

Under the progressive U.S. income tax rate structure, different portions of taxable income are taxed at different rates. Figure H illustrates how income tax is determined for a single taxpayer with AGI of \$410,000 who used the standard deduction. As shown in the example, six different tax rates were applied to the taxable income to arrive at total tax. The first \$8,025 of taxable income were taxed at the 10-percent rate; the next \$24,525 of taxable income were taxed at the 15-percent rate; the next \$46,300 were taxed at the 25-percent rate; the next \$85,700 were taxed at the 28-percent rate; the next \$193,150 were taxed at the 33-percent rate; and the remaining \$44,517 were taxed at the 35-percent rate. For purposes of this article, the tax rate applied to the last dollar of income (given certain assumptions about which source of income provided the last dollar of income subject to tax) is the marginal tax rate for that return. In the example, the marginal tax rate is 35 percent.

Since the individual income tax structure includes various types of income, deductions, exclusions, credits, and taxes that are not subject to the same treatment under tax laws, the marginal tax rate is not always apparent. For instance, investment income of a dependent under age 18 in excess of a specific amount is treated differently than salaries and wages of the same dependent (see changes in law section on tax on child’s investment income). The investment income in excess of \$1,800 was taxed

<sup>17</sup> For more details on the income computation under the 1979 Income Concept for 2008, see *Individual Income Tax Returns 2008*, Statistics of Income Division, Internal Revenue Service, Publication 1304.

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at the marginal tax rate of the parents, whereas the salaries and wages were taxed at the dependent's own rate.

Calculating marginal tax rates for a specific individual income tax return generally depends both on the types and amounts of income reported and the assumptions made about the order in which the income is taxed, in particular, which type of income is assumed to be received "last." Additional complexity is added by the presence of such items as the alternative minimum tax and various tax credits.

For this article, it is assumed that the income taxed at the marginal (highest) rate was the "last" income received. The alternative minimum tax and income tax credits, such as the earned income credit, are excluded in determining the marginal tax rates. The marginal tax rate is defined as follows:

- (1) If a return showed taxable income, the marginal tax rate of the return was the highest rate at which any amount of taxable income reported on the return was taxed.
- (2) If the return had no taxable income except for net long-term capital gains or qualified dividends and that amount was less than or equal to the 15-percent tax bracket limit, the return was defined as having a "0-percent" marginal tax rate. If the return had taxable income (from other than net long-term capital gains) to which only the 15-percent tax rate applied, as well as net long-term capital gains to which the 25-percent rate on the net gain applied, the return was defined as having a marginal tax rate equal to the maximum rate at which the net gains were taxed. If the return had taxable income (from other than net long-term capital gains) to which the 25-percent tax rate applied as the highest rate, as well as net long-term capital gains to which the maximum 28-percent rate on net gain applied, the return was defined as having a "28-percent" marginal tax rate. However, if the return had taxable income (from other than net long-term capital gains) above the maximum amount to which the 25-percent applied, as well as net long-term

capital gains to which the 28-percent rate on the net gain applied, the return was classified as having the highest rate at which any amount of taxable income reported on the return was taxed.

- (3) For returns of dependents with a Form 8615 attached when the use of this form resulted in the taxation of some of the dependent's income as if it were that of the parents, the return was classified as having a "Form 8615" marginal tax rate (the returns in the Form 8615 classification are not distributed by tax rate).
- (4) For returns of parents choosing to report interest, dividend, and capital gain distribution income of their dependents under age 18 (or under 24 if students) on their own (i.e., the parents') return using Form 8814, when the dependent's income generated the only tax liability on the parent's return, the return was classified with a "Form 8814" marginal tax rate of 10 percent.

The classification of returns into marginal tax rate categories for Statistics of Income purposes was essentially a function of filing status, size of taxable income, presence of net long-term capital gains (in excess of net short-term capital losses) and/or qualified dividends, and presence of Form 8615 or Form 8814. Returns were classified into 1 of the following 12 mutually exclusive marginal tax rate categories: (1) 0-percent rate (capital gains); (2) 10-percent rate; (3) Form 8814 (10-percent rate with no tax liability other than that generated by the dependent's income); (4) 15-percent rate; (5) 15-percent (capital gains); (6) 25-percent rate; (7) 25-percent (capital gains); (8) 28-percent rate; (9) 28-percent (capital gains); (10) 33-percent rate; (11) 35-percent rate; and (12) Form 8615 (with income taxed at any rate).<sup>18</sup> Table 1 presents statistics by marginal tax rate classification and filing status for returns with modified taxable income. For each marginal rate classification, modified taxable income and "income tax generated" were computed "at all rates" and "at marginal rate." The "at all rates" computations (columns 3

<sup>18</sup> For some taxpayers, the statutory marginal tax rate may differ from the effective marginal tax rate. For example, extra income received by certain taxpayers may result in the partial phaseout of their personal exemptions as well as some of their itemized deductions. Therefore, an extra \$1 of income could add more than \$1 of taxable income. While this taxpayer could face a statutory marginal tax rate of 35 percent, the effective marginal rate faced by the taxpayer would be somewhat higher.

and 5) show the total amount of modified taxable income or tax generated, tabulated by the marginal tax rate specified; each tax rate classification is mutually exclusive. The “at marginal rate” computations (columns 4 and 6) report the specific amounts of modified taxable income taxed and the tax generated at the marginal tax rate shown, for all returns in each of the marginal rate classifications. The alternative minimum tax was not included in the statistics by marginal tax rate.

For example, consider returns in the “joint returns and returns of surviving spouses” filing status that were included in the “35-percent” marginal tax rate classification. The total modified taxable income for the estimated 817,167 returns in this classification “at all rates” was \$946.2 billion (column 3), and the total tax generated was \$279.9 billion (column 5). Approximately \$512.4 billion (column 4) of the modified taxable income were subject to tax at the marginal tax rate of 35 percent. This modified taxable income generated \$179.3 billion (column 6) in tax at the 35-percent tax rate, with the remainder generated at some or all of the lower eight tax rates.

Table 2 provides statistics on the tax generated, in total and at each tax rate bracket, for returns with modified taxable income. Returns in this table are classified by size of AGI. The tax generated at each tax rate was computed based on the modified taxable income for each individual return.

For example, the 3.5 million returns included in the “\$200,000 under \$500,000” income-size classification showed total modified taxable income of \$790.8 billion and generated total tax of \$184.1 billion. Of this \$790.8 billion of modified taxable income, \$51.1 billion were taxed at 10 percent (ordinary tax rate); \$154.5 billion were taxed at 15 percent (ordinary tax rate); \$207.5 billion were taxed at 25 percent (ordinary tax); \$178.5 billion were taxed at 28 percent (ordinary tax); \$125.7 billion were taxed at 33 percent; and \$9.7 billion were taxed at 35 percent. Approximately \$4.3 billion were taxed at the 0-percent (capital gains) rate; \$57.2 billion were taxed at the 15-percent capital gain and qualified dividend rate; \$1.4 billion were taxed at the 25-percent capital gain rate; \$0.2 billion were taxed at the 28-percent capital gain rate, with the remainder from tax related to Forms 8814 and 8615.

## Figure I

### Calculation of Alternative Minimum Taxable Income (AMTI), Tax Year 2008

|         |   |
|---------|---|
|         | Taxable income before deduction for personal exemptions |
| PLUS:   | Adjustments and preferences (see Figure J)              |
| PLUS:   | Net operating loss deduction                            |
| MINUS:  | Overall itemized deductions limitation                  |
| MINUS:  | Alternative tax net operating loss deduction [1]        |
| EQUALS: | Alternative minimum taxable income                      |

[1] Limited to 90 percent of AMTI, except when depletion is present on Form 6251. In this case, AMTI is recalculated, and the alternative tax net operating loss deduction is limited to 90 percent of the recalculated amount.

Table 3 presents statistics on the income and tax generated at each tax rate by filing status, for returns with modified taxable income. More than 0.8 million of the 45.2 million jointly filed returns (including surviving spouses) with modified taxable income had some income taxed at the 35-percent tax rate. For these returns, the taxable income subject to this rate was \$512.4 billion, and the tax generated was \$179.3 billion.

### Computation of Alternative Minimum Taxable Income (AMTI)

AMTI was computed by adding certain “tax preferences” (i.e., deduction or exclusion amounts identified as potential sources of tax savings disallowed for AMT purposes) and “adjustments” (i.e., regular tax deduction amounts recomputed or excluded for AMT purposes) to taxable income before any deductions were taken for personal exemptions (Figures I and J). Although itemized deductions for some taxpayers were limited for regular tax purposes, the full amounts of such itemized deductions were included as adjustments. To compensate for this, the overall limitation on itemized deductions was then subtracted from taxable income for AMT purposes. The “net operating loss deduction” was recomputed to allow for the exclusion of the “tax preference items” and “adjustments” used to reduce regular tax liability. The recomputed net operating loss deduction, termed the “alternative net operating loss deduction,” was limited to 90 percent of AMTI (with certain minor exceptions for 2008).

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## Figure J

### Alternative Minimum Tax Adjustments and Preferences, Tax Year 2008

- Medical and dental expenses from Schedule A (the lesser of deductible medical and dental expenses or 2.5 percent of AGI)
- Deductions for State and local income, sales, real estate, personal property, and foreign taxes
- Mortgage interest adjustment on the worksheet from the Form 6251 instructions
- Miscellaneous itemized deductions subject to the 2-percent-of-AGI limitation
- Itemized deduction limitation on the worksheet from the Schedule A instructions
- If standard deduction is claimed, amount from Form 4684, line 18a as a negative amount
- Refunds of State and local income, sales, real estate, personal property, and foreign taxes previously deducted (negative)
- Investment interest expense (the result could be negative)
- Excess of percentage depletion deduction for sections 611 and 613 property over the adjusted basis (the result could be negative)
- Deduction for net operating loss from Form 1040
- Tax-exempt interest from private activity bonds issued after August 7, 1986
- Excluded gain, under the section 1202 gain on qualified small business stock held more than 5 years, multiplied by 7% if sold after May 5, 2003, otherwise multiplied by 42%
- Incentive stock options which were exercised after 1987 (the amount by which the value of the option when exercised exceeded the price paid by the taxpayer; the result could be negative)
- Difference between income distributions to beneficiaries of estates and trusts for regular tax purposes and the amounts refigured for AMT purposes (the result could be negative)
- Electing large partnerships, enter the amount from Schedule K-1 (Form 1065-B), box 6.
- Adjustment of gain or loss on property, the basis of which was affected by accelerated depreciation or rapid amortization and which was reduced for AMT purposes (the result could be negative)
- Excess of depreciation on property placed in service after 1986 over less liberal methods allowed for alternative minimum tax (AMT) purposes (straight-line or 150-percent declining balance method, depending on the type of property; the result could be negative)
- Passive activity gains and losses allowed for regular tax purposes for activities acquired before October 23, 1986, taking into account AMT adjustments and preference items and any AMT prior-year unallowed losses (the result could be negative)
- Adjustment for refigured loss from activities in which allowable losses from partnerships or S Corporations were limited by "at-risk" and other rules, taking into account AMT adjustments and preference items (the result could be negative)
- Excess of circulation expenditures paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Deferred income from long-term contracts entered into after February 28, 1986, with certain exceptions and limitations (the result could be negative)
- Excess of mining exploration and development costs paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Excess of research and experimental expenditures paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Adjustment from disallowing the installment sales method of accounting for sales of inventory and stock in trade after March 1, 1986, with certain exceptions (the result is negative)
- Amount by which excess intangible drilling costs deducted currently over allowable amortization (if these costs were capitalized) was more than 65 percent of the taxpayer's "net income" from oil, gas, and geothermal wells, with exceptions for independent oil producers and royalty owners
- Excess of accelerated depreciation on property placed in service using pre-1987 rules over straight-line depreciation as refigured for AMT purposes
- Adjustment for taxable distributions received from a cooperative (total AMT patronage dividend and per-unit retain allocation adjustment)
- Excess of rapid amortization of pollution control facilities placed in service after 1986 over otherwise allowable depreciation (the result could be negative)
- Adjustment for charitable contributions of certain property for which section 170(e) of the Internal Revenue Code applies
- Adjustment for alcohol fuel credit included in taxable income (the amount is included as a negative)
- Adjustment for refigured tax shelter farm losses, taking into account AMT adjustments and preference items (the result could be negative)
- Related adjustments, refigured for AMT purposes, including section 179 expense deduction, expenses for business or rental use of the home, conservation expenses, taxable IRA distributions, self-employed health insurance deduction, Keogh retirement plan or self-employed SEP deduction, and IRA deductions (the result could be negative)
- Deduction for alternative tax net operating loss

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AMTI was reduced by an exemption amount which depended on the filing status of the individual and which was subject to phaseout at higher AMTI levels. The AMT-exemption for single filers (and heads of households) for 2008 was \$46,200; for joint filers and surviving spouses, \$69,950; and for married persons filing separately, \$34,975. The exemption was reduced (but not below zero) by 25 percent of the amount by which the AMTI exceeded threshold levels of \$112,500 for single filers and heads of households, \$150,000 for joint filers, and \$75,000 for married persons filing separately. The exemption was phased out completely for individuals whose filing status was single or head of household, married filing jointly, and married filing separately, at \$297,300, \$429,800, and \$214,900, of AMTI, respectively.

After reduction by the exemption, the first \$175,000 (\$87,500, if married filing separately) of the remaining AMTI was subject to tax at a 26-percent rate, with any excess taxed at a 28-percent rate. However, capital gains and qualified dividends (recalculated for AMT purposes) that were taxed at lower rates (0 percent, 15 percent, and 25 percent) were taxed at these same rates for the AMT, with the rest of AMTI being taxed at the rates mentioned above (26 percent or 28 percent). The resulting tax was reduced by the “alternative minimum tax foreign tax credit,” which produced a “tentative minimum tax.” Tentative minimum tax was further reduced by the individual’s regular tax before credits (excluding tax on lump-sum distributions from qualified retirement plans) less the foreign tax credit (for regular tax purposes) to yield the alternative minimum tax.

Dependents under the age of 18 and certain children under 24 with investment income over a certain amount who filed their own returns were subject to special rules for AMT purposes. These rules required that the dependents pay the same amount of AMT as their parents would have paid if

the parents included the dependents’ incomes on their own tax returns. (Dependents filing their own returns were limited to an AMT exemption of \$6,400 plus their “earned incomes.” The dependent’s AMT could be reduced if the parents had regular tax greater than the child’s own tentative minimum tax, or if any other dependent under age 18 and certain children under 24, of the same parents had regular tax greater than this dependent’s own tentative minimum tax.)

## Data Sources and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically filed returns) filed during Calendar Year 2008. Returns in the sample were stratified based on: (1) the larger of positive income or negative income (absolute value); (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for tax policy modeling purposes.<sup>19</sup> Returns were then selected at rates ranging from 0.10 percent to 100 percent. The 2008 data are based on a sample of 328,630 returns and an estimated final population of 142,580,866 returns.<sup>20</sup> The corresponding sample and population for the 2007 data were 336,226 and 153,832,380 returns, respectively.

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

<sup>19</sup> Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss From Farming*.

<sup>20</sup> This population includes an estimated 130,297 returns that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling or were filed to receive a stimulus payment only.

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## Figure K

### Coefficients of Variation for Selected Items, by Size of Adjusted Gross Income, Tax Year 2008

[Coefficients of variation are percentages]

| Size of adjusted gross income  | Modified taxable income |             | Tax generated | Income tax after credits | Total income tax |
|--------------------------------|-------------------------|-------------|---------------|--------------------------|------------------|
|                                | Number of returns       | Amount      |               |                          |                  |
|                                | (1)                     | (2)         | (3)           | (4)                      | (5)              |
| <b>Total</b>                   | <b>0.13</b>             | <b>0.11</b> | <b>0.14</b>   | <b>0.15</b>              | <b>0.15</b>      |
| Under \$2,000 [1]              | 6.33                    | 7.59        | 10.97         | 12.66                    | 12.66            |
| \$2,000 under \$4,000          | 4.87                    | 5.85        | 7.64          | 7.75                     | 7.75             |
| \$4,000 under \$6,000          | 3.96                    | 6.53        | 8.43          | 8.30                     | 8.30             |
| \$6,000 under \$8,000          | 2.88                    | 3.33        | 3.74          | 3.64                     | 3.64             |
| \$8,000 under \$10,000         | 2.37                    | 3.13        | 3.31          | 3.58                     | 3.58             |
| \$10,000 under \$12,000        | 1.96                    | 2.39        | 2.55          | 3.26                     | 3.26             |
| \$12,000 under \$14,000        | 1.89                    | 2.09        | 2.16          | 2.76                     | 2.76             |
| \$14,000 under \$16,000        | 1.82                    | 1.99        | 2.04          | 2.56                     | 2.56             |
| \$16,000 under \$18,000        | 1.78                    | 1.95        | 2.01          | 2.42                     | 2.42             |
| \$18,000 under \$20,000        | 1.67                    | 1.88        | 1.93          | 2.27                     | 2.27             |
| \$20,000 under \$25,000        | 1.01                    | 1.15        | 1.19          | 1.43                     | 1.43             |
| \$25,000 under \$30,000        | 1.02                    | 1.14        | 1.19          | 1.44                     | 1.44             |
| \$30,000 under \$40,000        | 0.75                    | 0.82        | 0.85          | 0.99                     | 0.99             |
| \$40,000 under \$50,000        | 0.82                    | 0.87        | 0.91          | 1.03                     | 1.03             |
| \$50,000 under \$75,000        | 0.49                    | 0.53        | 0.57          | 0.64                     | 0.64             |
| \$75,000 under \$100,000       | 0.75                    | 0.76        | 0.80          | 0.85                     | 0.85             |
| \$100,000 under \$200,000      | 0.52                    | 0.53        | 0.55          | 0.57                     | 0.57             |
| \$200,000 under \$500,000      | 0.66                    | 0.63        | 0.65          | 0.64                     | 0.64             |
| \$500,000 under \$1,000,000    | 1.02                    | 0.93        | 0.95          | 0.95                     | 0.95             |
| \$1,000,000 under \$1,500,000  | 1.26                    | 1.24        | 1.29          | 1.28                     | 1.28             |
| \$1,500,000 under \$2,000,000  | 0.95                    | 0.97        | 1.01          | 1.01                     | 1.01             |
| \$2,000,000 under \$5,000,000  | 0.55                    | 0.49        | 0.52          | 0.52                     | 0.52             |
| \$5,000,000 under \$10,000,000 | 0.62                    | 0.55        | 0.58          | 0.58                     | 0.58             |
| \$10,000,000 or more           | 0.03                    | 0.03        | 0.04          | 0.04                     | 0.04             |

[1] Includes returns with adjusted gross deficit.

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**Table 1. Returns with Modified Taxable Income [1]: Tax Classified, by Marginal Tax Rate and by Filing Status, Tax Year 2008**

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

| Filing status and tax rate classes                    | Classified by the highest marginal rate at which tax was computed |                                    |                         |                      |                      |                    |                          |                       |                         |
|---|---|------------------------------------|-------------------------|----------------------|----------------------|--------------------|--------------------------|-----------------------|-------------------------|
|   | Number of returns [1]   | Adjusted gross income less deficit | Modified taxable income |                      | Tax generated        |                    | Income tax after credits |                       |                         |
|   |   |                                    | At all rates            | At marginal rate     | At all rates         | At marginal rate   | Total                    | As a percentage of    |                         |
|   |   |                                    |                         |                      |                      |                    |                          | Adjusted gross income | Modified taxable income |
| (1)   | (2)   | (3)                                | (4)                     | (5)                  | (6)                  | (7)                | (8)                      | (9)                   |                         |
| <b>All returns</b>                                    |   |                                    |                         |                      |                      |                    |                          |                       |                         |
| <b>All tax rates</b>                                  | <b>107,978,328</b>  | <b>8,093,076,552</b>               | <b>5,652,315,095</b>    | <b>2,046,891,720</b> | <b>1,081,295,469</b> | <b>478,300,465</b> | <b>1,030,655,661</b>     | <b>12.7</b>           | <b>18.2</b>             |
| 0 percent   | 828,798   | 22,915,672                         | 5,641,894               | 5,641,894            | 0                    | 0                  | 148,457                  | 0.6                   | 2.6                     |
| 5 percent   | 36,171  | 1,259,347                          | 401,369                 | 401,369              | 20,069               | 20,068             | 16,602                   | 1.3                   | 4.1                     |
| 10 percent  | 26,189,462  | 565,497,651                        | 144,416,442             | 136,437,399          | 13,653,580           | 13,643,740         | 5,919,138                | 1.0                   | 4.1                     |
| 10 percent (Form 8814)                                | 19,088  | -524,478                           | 24,916                  | 24,916               | 2,492                | 2,492              | 16,026                   | [2]                   | 64.3                    |
| 15 percent  | 42,389,614  | 1,962,985,646                      | 1,163,636,276           | 668,520,114          | 149,790,612          | 100,278,017        | 117,735,391              | 6.0                   | 10.1                    |
| 15 percent (capital gains)                            | 7,742,786   | 675,103,183                        | 453,870,406             | 160,333,697          | 57,572,176           | 24,050,055         | 55,453,172               | 8.2                   | 12.2                    |
| 25 percent  | 23,286,637  | 2,216,657,113                      | 1,644,133,455           | 297,322,950          | 278,040,704          | 74,330,738         | 268,533,250              | 12.1                  | 16.3                    |
| 25 percent (capital gains)                            | 184,687   | 37,756,328                         | 31,530,529              | 3,471,712            | 5,349,787            | 867,928            | 5,526,962                | 14.6                  | 17.5                    |
| 28 percent  | 4,257,855   | 764,733,160                        | 610,072,127             | 50,520,245           | 127,944,621          | 14,145,669         | 130,767,219              | 17.1                  | 21.4                    |
| 28 percent (capital gains)                            | 18,108  | 4,739,812                          | 3,766,145               | 1,312,718            | 794,906              | 367,561            | 848,780                  | 17.9                  | 22.5                    |
| 33 percent  | 1,669,518   | 543,141,242                        | 451,864,124             | 96,582,283           | 109,741,449          | 31,872,153         | 115,750,421              | 21.3                  | 25.6                    |
| 35 percent  | 971,510   | 1,293,677,931                      | 1,138,591,766           | 622,765,389          | 337,546,859          | 217,967,886        | 329,149,724              | 25.4                  | 28.9                    |
| Form 8615   | 384,095   | 5,133,946                          | 4,365,648               | 3,557,032            | 838,213              | 754,158            | 790,520                  | 15.4                  | 18.1                    |
| <b>Joint returns and returns of surviving spouses</b> |   |                                    |                         |                      |                      |                    |                          |                       |                         |
| <b>All tax rates</b>                                  | <b>45,204,538</b>   | <b>5,386,905,509</b>               | <b>3,847,280,164</b>    | <b>1,340,997,213</b> | <b>763,782,397</b>   | <b>333,421,609</b> | <b>733,923,399</b>       | <b>13.6</b>           | <b>19.1</b>             |
| 0 percent   | 234,579   | 12,530,498                         | 2,855,345               | 2,855,345            | 0                    | 0                  | 90,076                   | 0.7                   | 3.2                     |
| 5 percent   | 9,742   | 588,914                            | 208,845                 | 208,845              | 10,442               | 10,442             | 6,905                    | 1.2                   | 3.3                     |
| 10 percent  | 7,302,369   | 253,435,928                        | 62,871,000              | 57,382,709           | 5,743,441            | 5,738,271          | 2,478,179                | 1.0                   | 3.9                     |
| 10 percent (Form 8814)                                | 9,774   | -534,247                           | 15,310                  | 15,310               | 1,531                | 1,531              | 15,815                   | [2]                   | 103.3                   |
| 15 percent  | 16,780,527  | 1,127,331,206                      | 660,015,641             | 390,662,362          | 85,535,078           | 58,599,354         | 65,448,553               | 5.8                   | 9.9                     |
| 15 percent (capital gains)                            | 4,965,323   | 510,399,043                        | 342,104,640             | 114,679,538          | 43,555,292           | 17,201,931         | 41,538,620               | 8.1                   | 12.1                    |
| 25 percent  | 11,225,922  | 1,419,016,243                      | 1,035,853,564           | 157,991,826          | 173,390,552          | 39,497,957         | 166,567,592              | 11.7                  | 16.1                    |
| 25 percent (capital gains)                            | 115,061   | 27,423,808                         | 22,753,447              | 2,484,016            | 3,851,472            | 621,004            | 4,012,544                | 14.6                  | 17.6                    |
| 28 percent  | 2,441,704   | 520,139,763                        | 409,105,948             | 26,241,649           | 84,156,940           | 7,347,662          | 86,353,665               | 16.6                  | 21.1                    |
| 28 percent (capital gains)                            | 9,320   | 3,082,397                          | 2,400,211               | 810,298              | 498,757              | 226,883            | 542,410                  | 17.6                  | 22.6                    |
| 33 percent  | 1,293,050   | 438,740,250                        | 362,862,114             | 75,314,325           | 87,182,436           | 24,853,727         | 92,472,714               | 21.1                  | 25.5                    |
| 35 percent  | 817,167   | 1,074,751,706                      | 946,234,100             | 512,350,991          | 279,856,455          | 179,322,847        | 274,396,326              | 25.5                  | 29.0                    |
| Form 8615   | 0   | 0                                  | 0                       | 0                    | 0                    | 0                  | 0                        | 0.0                   | 0.0                     |
| <b>Returns of married persons filing separately</b>   |   |                                    |                         |                      |                      |                    |                          |                       |                         |
| <b>All tax rates</b>                                  | <b>2,275,910</b>  | <b>158,872,871</b>                 | <b>117,288,222</b>      | <b>54,204,380</b>    | <b>24,714,758</b>    | <b>14,239,655</b>  | <b>23,502,124</b>        | <b>14.8</b>           | <b>20.0</b>             |
| 0 percent   | 6,688   | 278,927                            | 81,292                  | 81,292               | 0                    | 0                  | 9,488                    | 3.4                   | 11.7                    |
| 5 percent   | * 652   | * 13,172                           | * 33                    | * 33                 | **                   | **                 | **                       | [2]                   | [2]                     |
| 10 percent  | 325,213   | 5,657,362                          | 1,393,503               | 1,356,903            | ** 135,707           | ** 135,692         | ** 89,276                | 1.6                   | 6.4                     |
| 10 percent (Form 8814)                                | * 674   | * -26,045                          | * 604                   | * 604                | * 60                 | * 60               | * 212                    | [2]                   | * 35.1                  |
| 15 percent  | 1,059,758   | 34,662,822                         | 20,641,507              | 12,136,948           | 2,671,013            | 1,820,542          | 2,284,839                | 6.6                   | 11.1                    |
| 15 percent (capital gains)                            | 85,569  | 11,778,962                         | 8,264,596               | 6,174,138            | 1,153,139            | 926,121            | 1,221,119                | 10.4                  | 14.8                    |
| 25 percent  | 565,635   | 34,958,744                         | 25,977,540              | 5,568,540            | 4,370,077            | 1,392,135          | 4,263,512                | 12.2                  | 16.4                    |
| 25 percent (capital gains)                            | 4,128   | 856,426                            | 768,137                 | 82,502               | 125,799              | 20,626             | 133,815                  | 15.6                  | 17.4                    |
| 28 percent  | 138,403   | 14,475,919                         | 11,545,381              | 1,439,542            | 2,382,532            | 403,072            | 2,444,858                | 16.9                  | 21.2                    |
| 28 percent (capital gains)                            | * 717   | * 129,448                          | * 109,963               | * 23,380             | * 22,817             | * 6,546            | * 24,850                 | * 19.2                | * 22.6                  |
| 33 percent  | 54,607  | 9,750,037                          | 8,096,977               | 1,715,682            | 1,927,652            | 566,175            | 2,017,161                | 20.7                  | 24.9                    |
| 35 percent  | 33,864  | 46,337,097                         | 40,408,689              | 25,624,818           | 11,925,960           | 8,968,686          | 11,012,995               | 23.8                  | 27.3                    |
| Form 8615   | 0   | 0                                  | 0                       | 0                    | 0                    | 0                  | 0                        | 0.0                   | 0.0                     |

Footnotes at end of table.

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**Table 1. Returns with Modified Taxable Income [1]: Tax Classified, by Marginal Tax Rate and by Filing Status, Tax Year 2008—Continued**

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

| Filing status and tax rate classes    | Classified by the highest marginal rate at which tax was computed |                                    |                         |                    |                    |                    |                          |                       |                         |
|---------------------------------------|---|------------------------------------|-------------------------|--------------------|--------------------|--------------------|--------------------------|-----------------------|-------------------------|
|                                       | Number of returns [1]   | Adjusted gross income less deficit | Modified taxable income |                    | Tax generated      |                    | Income tax after credits |                       |                         |
|                                       |   |                                    | At all rates            | At marginal rate   | At all rates       | At marginal rate   | Total                    | As a percentage of    |                         |
|                                       |   |                                    |                         |                    |                    |                    |                          | Adjusted gross income | Modified taxable income |
| (1)                                   | (2)   | (3)                                | (4)                     | (5)                | (6)                | (7)                | (8)                      | (9)                   |                         |
| <b>Returns of heads of households</b> |   |                                    |                         |                    |                    |                    |                          |                       |                         |
| <b>All tax rates</b>                  | <b>13,612,171</b>   | <b>589,358,159</b>                 | <b>316,316,689</b>      | <b>141,658,936</b> | <b>49,686,348</b>  | <b>25,068,019</b>  | <b>38,846,395</b>        | <b>6.6</b>            | <b>12.3</b>             |
| 0 percent                             | 10,198  | 498,220                            | 142,386                 | 142,386            | 0                  | 0                  | 4,469                    | 0.9                   | 3.1                     |
| 5 percent                             | * 381   | * 45,654                           | * 4,315                 | * 4,315            | * 216              | * 216              | * 98                     | * 0.2                 | * 2.3                   |
| 10 percent                            | 5,874,894   | 139,608,134                        | 31,509,745              | 31,303,847         | 3,131,151          | 3,130,385          | 264,414                  | 0.2                   | 0.8                     |
| 10 percent (Form 8814)                | 7,184   | 34,592                             | 7,229                   | 7,229              | 723                | 723                | 0                        | [2]                   | [2]                     |
| 15 percent                            | 5,908,726   | 250,001,479                        | 135,536,789             | 67,869,884         | 16,947,334         | 10,180,483         | 9,928,467                | 4.0                   | 7.3                     |
| 15 percent (capital gains)            | 290,037   | 19,902,145                         | 12,846,179              | 4,433,391          | 1,606,781          | 665,009            | 1,422,936                | 7.1                   | 11.1                    |
| 25 percent                            | 1,343,607   | 117,966,589                        | 84,592,606              | 20,019,793         | 14,394,523         | 5,004,948          | 13,691,757               | 11.6                  | 16.2                    |
| 25 percent (capital gains)            | 4,034   | 782,873                            | 663,315                 | 91,791             | 117,520            | 22,948             | 118,975                  | 15.2                  | 17.9                    |
| 28 percent                            | 109,511   | 19,951,606                         | 15,666,664              | 1,537,098          | 3,396,957          | 430,387            | 3,663,248                | 18.4                  | 23.4                    |
| 28 percent (capital gains)            | 321   | 207,637                            | 163,460                 | 52,831             | 34,657             | 14,793             | 35,420                   | 17.1                  | 21.7                    |
| 33 percent                            | 43,947  | 13,554,371                         | 11,312,480              | 2,530,139          | 2,830,272          | 834,946            | 3,030,517                | 22.4                  | 26.8                    |
| 35 percent                            | 19,331  | 26,804,860                         | 23,871,520              | 13,666,231         | 7,226,214          | 4,783,181          | 6,686,096                | 24.9                  | 28.0                    |
| Form 8615                             | 0   | 0                                  | 0                       | 0                  | 0                  | 0                  | 0                        | 0.0                   | 0.0                     |
| <b>Returns of single persons</b>      |   |                                    |                         |                    |                    |                    |                          |                       |                         |
| <b>All tax rates</b>                  | <b>46,885,709</b>   | <b>1,957,940,013</b>               | <b>1,371,430,020</b>    | <b>510,031,190</b> | <b>243,111,965</b> | <b>105,571,185</b> | <b>234,383,743</b>       | <b>12.0</b>           | <b>17.1</b>             |
| 0 percent                             | 577,332   | 9,608,027                          | 2,562,871               | 2,562,871          | 0                  | 0                  | 44,424                   | 0.5                   | 1.7                     |
| 5 percent                             | 25,395  | 611,607                            | 188,177                 | 188,177            | 9,409              | 9,409              | 9,597                    | 1.6                   | 5.1                     |
| 10 percent                            | 12,686,986  | 166,796,226                        | 48,642,193              | 46,393,940         | 4,643,283          | 4,639,394          | 3,087,272                | 1.9                   | 6.3                     |
| 10 percent (Form 8814)                | * 1,456   | * 1,223                            | * 1,773                 | * 1,773            | * 177              | * 177              | [3]                      | [2]                   | [2]                     |
| 15 percent                            | 18,640,602  | 550,990,140                        | 347,442,339             | 197,850,920        | 44,637,187         | 29,677,638         | 40,073,532               | 7.3                   | 11.5                    |
| 15 percent (capital gains)            | 2,401,857   | 133,023,032                        | 90,654,990              | 35,046,630         | 11,256,964         | 5,256,995          | 11,270,497               | 8.5                   | 12.4                    |
| 25 percent                            | 10,151,472  | 644,715,537                        | 497,709,744             | 113,742,792        | 85,885,552         | 28,435,698         | 84,010,390               | 13.0                  | 16.9                    |
| 25 percent (capital gains)            | 61,464  | 8,693,221                          | 7,345,630               | 813,402            | 1,254,994          | 203,351            | 1,261,628                | 14.5                  | 17.2                    |
| 28 percent                            | 1,568,237   | 210,165,873                        | 173,754,134             | 21,301,956         | 38,008,192         | 5,964,548          | 38,305,447               | 18.2                  | 22.0                    |
| 28 percent (capital gains)            | 7,750   | 1,320,330                          | 1,092,512               | 426,210            | 238,675            | 119,339            | 246,101                  | 18.6                  | 22.5                    |
| 33 percent                            | 277,915   | 81,096,583                         | 69,592,552              | 17,022,138         | 17,801,090         | 5,617,306          | 18,230,028               | 22.5                  | 26.2                    |
| 35 percent                            | 101,149   | 145,784,268                        | 128,077,457             | 71,123,349         | 38,538,229         | 24,893,172         | 37,054,306               | 25.4                  | 28.9                    |
| Form 8615                             | 384,095   | 5,133,946                          | 4,365,648               | 3,557,032          | 838,213            | 754,158            | 790,520                  | 15.4                  | 18.1                    |

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

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

[1] For definition of modified taxable income, see section 4 in *2008 Individual Income Tax Returns publication 1304*.

[2] Percentage not computed.

[3] Less than \$500.

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

# Individual Income Tax Rates and Shares, 2008

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**Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008**

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

| Size of adjusted gross income  | Number of returns  | Taxable income       | Modified taxable income | Tax generated at all rates | Tax generated at a specific rate |                      |
|--------------------------------|--------------------|----------------------|-------------------------|----------------------------|----------------------------------|----------------------|
|                                |                    |                      |                         |                            | 0 percent                        |                      |
|                                |                    |                      |                         |                            | Number of returns                | Income taxed at rate |
|                                | (1)                | (2)                  | (3)                     | (4)                        | (5)                              | (6)                  |
| <b>Total</b>                   | <b>107,978,328</b> | <b>5,652,901,768</b> | <b>5,652,315,095</b>    | <b>1,081,295,469</b>       | <b>10,897,964</b>                | <b>48,940,232</b>    |
| Under \$2,000                  | 217,955            | 94,544               | 95,996                  | 4,553                      | 136,875                          | 45,093               |
| \$2,000 under \$4,000          | 365,765            | 472,070              | 482,314                 | 46,472                     | 117,021                          | 75,045               |
| \$4,000 under \$6,000          | 587,434            | 565,916              | 601,058                 | 68,738                     | 81,676                           | 49,002               |
| \$6,000 under \$8,000          | 1,137,799          | 1,881,438            | 1,895,246               | 187,187                    | 89,693                           | 71,543               |
| \$8,000 under \$10,000         | 1,651,758          | 3,288,185            | 3,298,111               | 330,361                    | 76,546                           | 55,484               |
| \$10,000 under \$12,000        | 2,342,620          | 6,184,418            | 6,194,073               | 618,635                    | 170,179                          | 131,353              |
| \$12,000 under \$14,000        | 2,542,013          | 10,175,724           | 10,198,127              | 1,008,780                  | 199,567                          | 226,176              |
| \$14,000 under \$16,000        | 2,747,013          | 14,294,811           | 14,318,129              | 1,419,491                  | 214,975                          | 306,389              |
| \$16,000 under \$18,000        | 2,880,415          | 18,728,102           | 18,767,685              | 1,892,034                  | 217,907                          | 359,307              |
| \$18,000 under \$20,000        | 3,266,667          | 23,768,267           | 23,797,888              | 2,532,470                  | 219,471                          | 394,534              |
| \$20,000 under \$25,000        | 8,354,766          | 77,438,957           | 77,513,521              | 8,784,435                  | 650,162                          | 1,085,295            |
| \$25,000 under \$30,000        | 8,078,487          | 104,419,992          | 104,479,673             | 12,351,214                 | 688,713                          | 1,396,610            |
| \$30,000 under \$40,000        | 14,031,669         | 263,132,643          | 263,366,028             | 32,408,731                 | 1,491,780                        | 3,566,375            |
| \$40,000 under \$50,000        | 10,881,138         | 289,669,727          | 289,954,115             | 37,948,614                 | 1,281,145                        | 3,871,754            |
| \$50,000 under \$75,000        | 19,044,011         | 748,727,969          | 749,175,443             | 107,402,789                | 2,554,868                        | 10,011,312           |
| \$75,000 under \$100,000       | 11,672,302         | 688,201,008          | 688,421,298             | 102,841,250                | 1,869,882                        | 10,560,919           |
| \$100,000 under \$200,000      | 13,816,581         | 1,340,889,772        | 1,341,665,258           | 240,148,659                | 664,892                          | 10,034,791           |
| \$200,000 under \$500,000      | 3,466,191          | 790,018,151          | 790,767,386             | 184,072,786                | 120,848                          | 4,332,133            |
| \$500,000 under \$1,000,000    | 574,677            | 332,577,165          | 332,628,285             | 92,512,758                 | 28,087                           | 1,182,342            |
| \$1,000,000 under \$1,500,000  | 139,660            | 146,685,193          | 146,620,836             | 42,310,594                 | 8,257                            | 382,677              |
| \$1,500,000 under \$2,000,000  | 59,078             | 88,993,612           | 88,891,292              | 25,763,527                 | 4,022                            | 197,104              |
| \$2,000,000 under \$5,000,000  | 85,689             | 225,389,176          | 224,994,383             | 64,697,267                 | 7,126                            | 366,368              |
| \$5,000,000 under \$10,000,000 | 21,238             | 129,065,855          | 128,603,947             | 35,640,067                 | 2,312                            | 127,027              |
| \$10,000,000 or more           | 13,403             | 348,239,073          | 345,585,002             | 86,304,057                 | 1,960                            | 111,598              |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued**

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

| Size of adjusted gross income  | Tax generated at specified rate—continued |                      |                       |                    |                      |                       |
|--------------------------------|---|----------------------|-----------------------|--------------------|----------------------|-----------------------|
|                                | 5 percent                                 |                      |                       | 10 percent         |                      |                       |
|                                | Number of returns                         | Income taxed at rate | Tax generated at rate | Number of returns  | Income taxed at rate | Tax generated at rate |
|                                | (7)                                       | (8)                  | (9)                   | (10)               | (11)                 | (12)                  |
| <b>Total</b>                   | <b>205,858</b>                            | <b>2,275,699</b>     | <b>113,790</b>        | <b>106,892,311</b> | <b>1,109,076,691</b> | <b>110,907,669</b>    |
| Under \$2,000                  | * 1,304                                   | * 925                | * 46                  | 107,879            | 47,544               | 4,754                 |
| \$2,000 under \$4,000          | * 1,978                                   | * 3,740              | * 186                 | 293,611            | 264,889              | 26,489                |
| \$4,000 under \$6,000          | * 2,306                                   | * 4,589              | * 229                 | 542,703            | 352,669              | 35,267                |
| \$6,000 under \$8,000          | * 3,647                                   | * 9,629              | * 482                 | 1,126,133          | 1,692,294            | 169,229               |
| \$8,000 under \$10,000         | * 3,912                                   | * 11,694             | * 584                 | 1,619,827          | 3,112,456            | 311,246               |
| \$10,000 under \$12,000        | * 5,550                                   | * 11,610             | * 580                 | 2,282,810          | 5,892,351            | 589,235               |
| \$12,000 under \$14,000        | * 6,858                                   | * 12,132             | * 607                 | 2,485,043          | 9,828,013            | 982,801               |
| \$14,000 under \$16,000        | * 3,542                                   | * 9,345              | * 468                 | 2,701,603          | 13,633,799           | 1,363,380             |
| \$16,000 under \$18,000        | * 4,249                                   | * 22,003             | * 1,100               | 2,848,743          | 17,457,164           | 1,745,716             |
| \$18,000 under \$20,000        | * 3,861                                   | * 23,057             | * 1,152               | 3,234,074          | 19,574,031           | 1,957,403             |
| \$20,000 under \$25,000        | 7,181                                     | 26,180               | 1,310                 | 8,253,215          | 53,634,315           | 5,363,432             |
| \$25,000 under \$30,000        | 14,203                                    | 62,680               | 3,134                 | 8,028,431          | 62,309,008           | 6,230,901             |
| \$30,000 under \$40,000        | 30,892                                    | 164,404              | 8,221                 | 13,955,182         | 131,340,150          | 13,134,015            |
| \$40,000 under \$50,000        | 15,620                                    | 82,959               | 4,150                 | 10,832,691         | 118,904,133          | 11,890,413            |
| \$50,000 under \$75,000        | 31,607                                    | 235,289              | 11,763                | 18,970,982         | 239,532,319          | 23,953,232            |
| \$75,000 under \$100,000       | 27,241                                    | 288,758              | 14,439                | 11,622,236         | 164,297,557          | 16,429,756            |
| \$100,000 under \$200,000      | 28,755                                    | 795,300              | 39,766                | 13,724,260         | 203,337,741          | 20,333,774            |
| \$200,000 under \$500,000      | 9,440                                     | 352,558              | 17,629                | 3,407,780          | 51,142,105           | 5,114,211             |
| \$500,000 under \$1,000,000    | 1,710                                     | 59,953               | 2,998                 | 556,825            | 8,308,851            | 830,885               |
| \$1,000,000 under \$1,500,000  | 690                                       | 29,700               | 1,485                 | 133,286            | 1,983,374            | 198,337               |
| \$1,500,000 under \$2,000,000  | 308                                       | 14,906               | 745                   | 55,662             | 825,105              | 82,511                |
| \$2,000,000 under \$5,000,000  | 604                                       | 32,639               | 1,632                 | 79,077             | 1,164,861            | 116,486               |
| \$5,000,000 under \$10,000,000 | 213                                       | 11,470               | 574                   | 18,920             | 276,863              | 27,686                |
| \$10,000,000 or more           | 187                                       | 10,181               | 509                   | 11,339             | 165,099              | 16,510                |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued**

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

| Size of<br>adjusted gross income | Tax generated at specified rate—continued |                            |                             |                         |                            |                             |
|----------------------------------|---|----------------------------|-----------------------------|-------------------------|----------------------------|-----------------------------|
|                                  | 10 percent (from Form 8814)               |                            |                             | 15 percent              |                            |                             |
|                                  | Number<br>of<br>returns                   | Income<br>taxed<br>at rate | Tax<br>generated<br>at rate | Number<br>of<br>returns | Income<br>taxed<br>at rate | Tax<br>generated<br>at rate |
|                                  | (13)                                      | (14)                       | (15)                        | (16)                    | (17)                       | (18)                        |
| <b>Total</b>                     | <b>131,638</b>                            | <b>151,299</b>             | <b>15,132</b>               | <b>80,264,660</b>       | <b>1,971,611,116</b>       | <b>295,741,667</b>          |
| Under \$2,000                    | 1,429                                     | 1,418                      | 142                         | 0                       | 0                          | 0                           |
| \$2,000 under \$4,000            | * 1,300                                   | * 1,757                    | * 176                       | 0                       | 0                          | 0                           |
| \$4,000 under \$6,000            | * 1,658                                   | * 4,204                    | * 420                       | * 1,304                 | * 2,173                    | * 326                       |
| \$6,000 under \$8,000            | * 1,197                                   | * 1,077                    | * 108                       | * 674                   | * 4,183                    | * 627                       |
| \$8,000 under \$10,000           | * 1,443                                   | * 1,760                    | * 176                       | * 2,350                 | * 3,689                    | * 553                       |
| \$10,000 under \$12,000          | * 1,400                                   | * 976                      | * 97                        | * 7,624                 | * 12,433                   | * 1,865                     |
| \$12,000 under \$14,000          | * 2,604                                   | * 2,344                    | * 234                       | 73,897                  | 33,659                     | 5,049                       |
| \$14,000 under \$16,000          | * 652                                     | * 587                      | * 59                        | 171,069                 | 258,119                    | 38,718                      |
| \$16,000 under \$18,000          | * 1,304                                   | * 1,760                    | * 176                       | 946,415                 | 823,058                    | 123,459                     |
| \$18,000 under \$20,000          | * 2,590                                   | * 3,494                    | * 349                       | 1,822,239               | 3,729,798                  | 559,470                     |
| \$20,000 under \$25,000          | * 3,897                                   | * 6,363                    | * 637                       | 4,506,234               | 22,628,645                 | 3,394,297                   |
| \$25,000 under \$30,000          | * 2,344                                   | * 2,109                    | * 211                       | 4,864,755               | 40,596,508                 | 6,089,476                   |
| \$30,000 under \$40,000          | 6,787                                     | 8,409                      | 842                         | 10,327,259              | 128,062,036                | 19,209,305                  |
| \$40,000 under \$50,000          | 4,397                                     | 10,110                     | 1,011                       | 9,730,262               | 156,620,417                | 23,493,063                  |
| \$50,000 under \$75,000          | 19,890                                    | 23,357                     | 2,334                       | 18,380,019              | 408,784,551                | 61,317,683                  |
| \$75,000 under \$100,000         | 19,227                                    | 23,091                     | 2,309                       | 11,517,788              | 413,447,416                | 62,017,112                  |
| \$100,000 under \$200,000        | 30,160                                    | 29,127                     | 2,914                       | 13,670,452              | 603,683,252                | 90,552,488                  |
| \$200,000 under \$500,000        | 18,615                                    | 17,585                     | 1,760                       | 3,391,701               | 154,466,462                | 23,169,969                  |
| \$500,000 under \$1,000,000      | 5,795                                     | 6,350                      | 635                         | 553,554                 | 25,098,300                 | 3,764,745                   |
| \$1,000,000 under \$1,500,000    | 1,973                                     | 2,082                      | 208                         | 132,715                 | 5,989,710                  | 898,457                     |
| \$1,500,000 under \$2,000,000    | 856                                       | 972                        | 97                          | 55,369                  | 2,495,394                  | 374,309                     |
| \$2,000,000 under \$5,000,000    | 1,383                                     | 1,527                      | 153                         | 78,810                  | 3,530,101                  | 529,515                     |
| \$5,000,000 under \$10,000,000   | 455                                       | 523                        | 52                          | 18,853                  | 839,421                    | 125,913                     |
| \$10,000,000 or more             | 281                                       | 318                        | 32                          | 11,317                  | 501,791                    | 75,269                      |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued**

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

| Size of adjusted gross income  | Tax generated at specified rate—continued |                      |                       |                   |                      |                       |
|--------------------------------|---|----------------------|-----------------------|-------------------|----------------------|-----------------------|
|                                | 15 percent (capital gains)                |                      |                       | 25 percent        |                      |                       |
|                                | Number of returns                         | Income taxed at rate | Tax generated at rate | Number of returns | Income taxed at rate | Tax generated at rate |
|                                | (19)                                      | (20)                 | (21)                  | (22)              | (23)                 | (24)                  |
| <b>Total</b>                   | <b>12,006,157</b>                         | <b>466,964,547</b>   | <b>70,044,999</b>     | <b>30,355,956</b> | <b>871,091,740</b>   | <b>217,772,935</b>    |
| Under \$2,000                  | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$2,000 under \$4,000          | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$4,000 under \$6,000          | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$6,000 under \$8,000          | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$8,000 under \$10,000         | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$10,000 under \$12,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$12,000 under \$14,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$14,000 under \$16,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$16,000 under \$18,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$18,000 under \$20,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$20,000 under \$25,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$25,000 under \$30,000        | 0   | 0                    | 0                     | * 834             | * 2,007              | * 502                 |
| \$30,000 under \$40,000        | 1,978                                     | 7,390                | 1,109                 | 13,451            | 83,285               | 20,821                |
| \$40,000 under \$50,000        | 411,335                                   | 480,212              | 72,043                | 2,720,058         | 9,844,320            | 2,461,080             |
| \$50,000 under \$75,000        | 1,507,035                                 | 5,224,457            | 783,707               | 6,263,571         | 85,051,625           | 21,262,906            |
| \$75,000 under \$100,000       | 1,566,962                                 | 6,258,690            | 938,844               | 4,829,948         | 91,658,056           | 22,914,514            |
| \$100,000 under \$200,000      | 5,448,564                                 | 36,575,197           | 5,486,422             | 12,375,750        | 424,686,487          | 106,171,622           |
| \$200,000 under \$500,000      | 2,320,993                                 | 57,161,544           | 8,574,295             | 3,321,243         | 207,510,779          | 51,877,695            |
| \$500,000 under \$1,000,000    | 467,536                                   | 43,291,626           | 6,493,756             | 540,886           | 34,073,508           | 8,518,377             |
| \$1,000,000 under \$1,500,000  | 120,214                                   | 26,227,346           | 3,934,105             | 129,286           | 8,112,508            | 2,028,127             |
| \$1,500,000 under \$2,000,000  | 52,049                                    | 18,746,808           | 2,812,022             | 54,180            | 3,399,825            | 849,956               |
| \$2,000,000 under \$5,000,000  | 77,111                                    | 58,472,479           | 8,770,874             | 77,114            | 4,825,327            | 1,206,332             |
| \$5,000,000 under \$10,000,000 | 19,682                                    | 43,685,989           | 6,552,899             | 18,509            | 1,153,450            | 288,363               |
| \$10,000,000 or more           | 12,699                                    | 170,832,810          | 25,624,922            | 11,126            | 690,562              | 172,641               |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued**

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

| Size of adjusted gross income  | Tax generated at specified rate—continued |                      |                       |                   |                      |                       |
|--------------------------------|---|----------------------|-----------------------|-------------------|----------------------|-----------------------|
|                                | 25 percent (capital gains)                |                      |                       | 28 percent        |                      |                       |
|                                | Number of returns                         | Income taxed at rate | Tax generated at rate | Number of returns | Income taxed at rate | Tax generated at rate |
|                                | (25)                                      | (26)                 | (27)                  | (28)              | (29)                 | (30)                  |
| <b>Total</b>                   | <b>334,377</b>                            | <b>6,515,717</b>     | <b>1,628,972</b>      | <b>6,903,701</b>  | <b>296,231,725</b>   | <b>82,944,883</b>     |
| Under \$2,000                  | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$2,000 under \$4,000          | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$4,000 under \$6,000          | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$6,000 under \$8,000          | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$8,000 under \$10,000         | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$10,000 under \$12,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$12,000 under \$14,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$14,000 under \$16,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$16,000 under \$18,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$18,000 under \$20,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$20,000 under \$25,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$25,000 under \$30,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$30,000 under \$40,000        | 0   | 0                    | 0                     | **                | **                   | **                    |
| \$40,000 under \$50,000        | * 1,002                                   | * 8                  | * 2                   | ** 97             | ** 83                | ** 24                 |
| \$50,000 under \$75,000        | 24,835                                    | 38,202               | 9,553                 | 4,297             | 31,407               | 8,794                 |
| \$75,000 under \$100,000       | 32,671                                    | 74,665               | 18,672                | 301,449           | 1,716,138            | 480,519               |
| \$100,000 under \$200,000      | 133,101                                   | 714,609              | 178,671               | 2,683,916         | 59,862,073           | 16,761,380            |
| \$200,000 under \$500,000      | 93,943                                    | 1,401,172            | 350,303               | 3,103,825         | 178,486,047          | 49,976,093            |
| \$500,000 under \$1,000,000    | 27,024                                    | 1,119,770            | 279,946               | 526,435           | 36,461,730           | 10,209,284            |
| \$1,000,000 under \$1,500,000  | 8,711                                     | 664,898              | 166,226               | 125,746           | 8,729,724            | 2,444,323             |
| \$1,500,000 under \$2,000,000  | 3,818                                     | 383,921              | 95,981                | 52,919            | 3,670,035            | 1,027,610             |
| \$2,000,000 under \$5,000,000  | 6,106                                     | 895,123              | 223,781               | 75,748            | 5,249,080            | 1,469,742             |
| \$5,000,000 under \$10,000,000 | 1,809                                     | 476,346              | 119,087               | 18,239            | 1,266,182            | 354,531               |
| \$10,000,000 or more           | 1,357                                     | 747,001              | 186,750               | 11,030            | 759,227              | 212,584               |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued**

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

| Size of adjusted gross income  | Tax generated at specified rate—continued |                      |                       |                   |                      |                       |
|--------------------------------|---|----------------------|-----------------------|-------------------|----------------------|-----------------------|
|                                | 28 percent (capital gains)                |                      |                       | 33 percent        |                      |                       |
|                                | Number of returns                         | Income taxed at rate | Tax generated at rate | Number of returns | Income taxed at rate | Tax generated at rate |
|                                | (31)                                      | (32)                 | (33)                  | (34)              | (35)                 | (36)                  |
| <b>Total</b>                   | <b>26,390</b>                             | <b>2,310,169</b>     | <b>646,849</b>        | <b>2,641,250</b>  | <b>250,813,195</b>   | <b>82,768,354</b>     |
| Under \$2,000                  | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$2,000 under \$4,000          | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$4,000 under \$6,000          | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$6,000 under \$8,000          | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$8,000 under \$10,000         | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$10,000 under \$12,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$12,000 under \$14,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$14,000 under \$16,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$16,000 under \$18,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$18,000 under \$20,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$20,000 under \$25,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$25,000 under \$30,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$30,000 under \$40,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$40,000 under \$50,000        | 0   | 0                    | 0                     | 0                 | 0                    | 0                     |
| \$50,000 under \$75,000        | * 3,866                                   | * 6,706              | * 1,878               | 0                 | 0                    | 0                     |
| \$75,000 under \$100,000       | * 2,680                                   | * 62                 | * 18                  | 311               | 5,415                | 1,787                 |
| \$100,000 under \$200,000      | 8,644                                     | 22,541               | 6,312                 | 79,729            | 1,670,248            | 551,182               |
| \$200,000 under \$500,000      | 7,381                                     | 243,474              | 68,172                | 1,770,145         | 125,681,601          | 41,474,928            |
| \$500,000 under \$1,000,000    | 1,586                                     | 146,156              | 40,924                | 512,891           | 79,806,362           | 26,336,099            |
| \$1,000,000 under \$1,500,000  | 877                                       | 180,199              | 50,456                | 123,023           | 19,317,254           | 6,374,694             |
| \$1,500,000 under \$2,000,000  | 312                                       | 74,630               | 20,897                | 51,886            | 8,132,814            | 2,683,829             |
| \$2,000,000 under \$5,000,000  | 661                                       | 423,679              | 118,630               | 74,368            | 11,661,379           | 3,848,255             |
| \$5,000,000 under \$10,000,000 | 192                                       | 297,591              | 83,326                | 17,970            | 2,826,956            | 932,895               |
| \$10,000,000 or more           | 191                                       | 915,129              | 256,236               | 10,926            | 1,711,165            | 564,684               |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued**

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

| Size of adjusted gross income  | Tax generated at specified rate—continued |                      |                       |                   |                      |                       |
|--------------------------------|---|----------------------|-----------------------|-------------------|----------------------|-----------------------|
|                                | 35 percent                                |                      |                       | Form 8615         |                      |                       |
|                                | Number of returns                         | Income taxed at rate | Tax generated at rate | Number of returns | Income taxed at rate | Tax generated at rate |
|                                | (37)                                      | (38)                 | (39)                  | (40)              | (41)                 | (42)                  |
| <b>Total</b>                   | <b>971,591</b>                            | <b>622,775,935</b>   | <b>217,971,577</b>    | <b>384,095</b>    | <b>3,557,032</b>     | <b>754,158</b>        |
| Under \$2,000                  | 0   | 0                    | 0                     | 9,831             | 1,016                | 144                   |
| \$2,000 under \$4,000          | 0   | 0                    | 0                     | 123,811           | 136,883              | 25,528                |
| \$4,000 under \$6,000          | 0   | 0                    | 0                     | 84,745            | 188,422              | 36,412                |
| \$6,000 under \$8,000          | 0   | 0                    | 0                     | 37,949            | 116,520              | 19,350                |
| \$8,000 under \$10,000         | 0   | 0                    | 0                     | 28,159            | 113,028              | 19,318                |
| \$10,000 under \$12,000        | 0   | 0                    | 0                     | 25,838            | 145,350              | 28,685                |
| \$12,000 under \$14,000        | 0   | 0                    | 0                     | 11,970            | 95,802               | 20,387                |
| \$14,000 under \$16,000        | 0   | 0                    | 0                     | 14,198            | 109,890              | 17,912                |
| \$16,000 under \$18,000        | 0   | 0                    | 0                     | 9,854             | 104,393              | 21,879                |
| \$18,000 under \$20,000        | 0   | 0                    | 0                     | 4,719             | 72,974               | 14,229                |
| \$20,000 under \$25,000        | 0   | 0                    | 0                     | 7,965             | 132,723              | 25,124                |
| \$25,000 under \$30,000        | 0   | 0                    | 0                     | 5,678             | 110,752              | 26,691                |
| \$30,000 under \$40,000        | 0   | 0                    | 0                     | 5,522             | 133,924              | 34,180                |
| \$40,000 under \$50,000        | 0   | 0                    | 0                     | 3,763             | 140,174              | 26,419                |
| \$50,000 under \$75,000        | 0   | 0                    | 0                     | 4,543             | 236,218              | 50,308                |
| \$75,000 under \$100,000       | 0   | 0                    | 0                     | 1,275             | 90,530               | 23,027                |
| \$100,000 under \$200,000      | 1,429                                     | 6,626                | 2,319                 | 2,529             | 247,265              | 60,822                |
| \$200,000 under \$500,000      | 225,614                                   | 9,741,240            | 3,409,434             | 749               | 230,686              | 38,223                |
| \$500,000 under \$1,000,000    | 476,985                                   | 102,688,961          | 35,941,136            | 564               | 384,376              | 93,941                |
| \$1,000,000 under \$1,500,000  | 118,048                                   | 74,734,035           | 26,156,912            | 254               | 267,328              | 57,262                |
| \$1,500,000 under \$2,000,000  | 49,733                                    | 50,784,347           | 17,774,521            | 107               | 165,431              | 41,049                |
| \$2,000,000 under \$5,000,000  | 71,636                                    | 138,216,384          | 48,375,734            | 51                | 155,436              | 36,127                |
| \$5,000,000 under \$10,000,000 | 17,429                                    | 77,513,307           | 27,129,657            | 19                | 128,822              | 25,083                |
| \$10,000,000 or more           | 10,717                                    | 169,091,034          | 59,181,862            | 3                 | 49,088               | 12,058                |

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

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

[1] For definition of modified taxable income, see section 4 in *2008 Individual Income Tax Returns publication 1304*.

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

# Individual Income Tax Rates and Shares, 2008

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**Table 3. Returns with Modified Taxable Income: Taxable Income and Tax, Classified by Tax Rate and by Filing Status, Tax Year 2008**

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

| Tax rate class                 | All returns           |                      |                              | Joint returns and returns of surviving spouses |                      |                              | Returns of married persons filing separately |
|--------------------------------|-----------------------|----------------------|------------------------------|--|----------------------|------------------------------|--|
|                                | Number of returns [1] | Income taxed at rate | Income tax generated at rate | Number of returns                              | Income taxed at rate | Income tax generated at rate | Number of returns                            |
|                                | (1)                   | (2)                  | (3)                          | (4)  | (5)                  | (6)                          | (7)  |
| <b>All tax rates</b>           | <b>107,978,328</b>    | <b>5,652,315,095</b> | <b>1,081,310,619</b>         | <b>45,204,538</b>                              | <b>3,847,280,164</b> | <b>763,780,726</b>           | <b>2,275,910</b>                             |
| 0 percent                      | 10,897,964            | 48,940,232           | 0                            | 6,316,269                                      | 33,260,187           | 0                            | 113,425                                      |
| 5 percent                      | 205,858               | 2,275,699            | 113,785                      | 92,778   | 1,404,081            | 70,204                       | 3,740  |
| 10 percent                     | 106,892,311           | 1,109,076,691        | 110,907,669                  | 44,859,462                                     | 659,881,863          | 65,988,186                   | 2,262,646                                    |
| 10 percent (Form 8814) [1]     | 131,638               | 151,299              | 15,132                       | 106,646  | 120,341              | 12,036                       | 1,736  |
| 15 percent                     | 80,264,660            | 1,971,611,116        | 295,741,667                  | 37,511,255                                     | 1,294,009,644        | 194,101,447                  | 1,936,708                                    |
| 15 percent (capital gains) [2] | 12,006,157            | 466,964,547          | 70,044,682                   | 7,806,371                                      | 349,650,170          | 52,447,525                   | 190,419                                      |
| 25 percent                     | 30,355,956            | 871,091,740          | 217,772,935                  | 15,883,000                                     | 575,346,945          | 143,836,736                  | 796,466                                      |
| 25 percent (capital gains)     | 334,377               | 6,515,717            | 1,628,929                    | 223,309  | 4,891,220            | 1,222,805                    | 7,870  |
| 28 percent                     | 6,903,701             | 296,231,725          | 82,944,883                   | 4,553,917                                      | 210,811,277          | 59,027,157                   | 227,548                                      |
| 28 percent (capital gains)     | 26,390                | 2,310,169            | 646,847                      | 15,965   | 1,617,100            | 452,788                      | 746  |
| 33 percent                     | 2,641,250             | 250,813,195          | 82,768,354                   | 2,110,217                                      | 203,936,346          | 67,298,994                   | 88,471                                       |
| 35 percent                     | 971,591               | 622,775,935          | 217,971,577                  | 817,167  | 512,350,991          | 179,322,847                  | 33,864                                       |
| Form 8615 [3]                  | 384,095               | 3,557,032            | 754,158                      | 0  | 0                    | 0                            | 0  |

Footnotes at end of table.

**Table 3. Returns with Modified Taxable Income: Taxable Income and Tax, Classified by Tax Rate and by Filing Status, Tax Year 2008—Continued**

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

| Tax rate class                 | Returns of married persons filing separately—continued |                              | Returns of heads of households |                      |                              | Returns of single persons |                      |                              |
|--------------------------------|--|------------------------------|--------------------------------|----------------------|------------------------------|---------------------------|----------------------|------------------------------|
|                                | Income taxed at rate                                   | Income tax generated at rate | Number of returns              | Income taxed at rate | Income tax generated at rate | Number of returns         | Income taxed at rate | Income tax generated at rate |
|                                | (8)  | (9)                          | (10)                           | (11)                 | (12)                         | (13)                      | (14)                 | (15)                         |
| <b>All tax rates</b>           | <b>117,288,222</b>                                     | <b>24,714,668</b>            | <b>13,612,171</b>              | <b>316,316,689</b>   | <b>49,685,818</b>            | <b>46,885,709</b>         | <b>1,371,430,020</b> | <b>243,129,407</b>           |
| 0 percent                      | 468,920  | 0                            | 389,634                        | 1,362,886            | 0                            | 4,078,636                 | 13,848,239           | 0                            |
| 5 percent                      | 17,835   | 892                          | 8,262                          | 77,414               | 3,871                        | 101,077                   | 776,369              | 38,818                       |
| 10 percent                     | 16,902,109   | 1,690,211                    | 13,585,066                     | 119,568,442          | 11,956,844                   | 46,185,137                | 312,724,277          | 31,272,428                   |
| 10 percent (Form 8814) [1]     | 946  | 94                           | 20,471                         | 27,041               | 2,705                        | 2,785                     | 2,970                | 297                          |
| 15 percent                     | 32,771,640   | 4,915,746                    | 7,708,044                      | 120,959,765          | 18,143,965                   | 33,108,653                | 523,870,067          | 78,580,510                   |
| 15 percent (capital gains) [2] | 17,368,984   | 2,605,348                    | 308,600                        | 10,582,624           | 1,587,394                    | 3,700,767                 | 89,362,769           | 13,404,415                   |
| 25 percent                     | 14,592,266   | 3,648,066                    | 1,520,580                      | 36,802,921           | 9,200,730                    | 12,155,910                | 244,349,607          | 61,087,402                   |
| 25 percent (capital gains)     | 160,388  | 40,097                       | 7,629                          | 141,164              | 35,291                       | 95,569                    | 1,322,945            | 330,736                      |
| 28 percent                     | 4,947,157  | 1,385,204                    | 173,089                        | 7,141,053            | 1,999,495                    | 1,949,147                 | 73,332,239           | 20,533,027                   |
| 28 percent (capital gains)     | 52,359   | 14,661                       | 371                            | 68,324               | 19,131                       | 9,307                     | 572,386              | 160,268                      |
| 33 percent                     | 4,380,799  | 1,445,664                    | 63,277                         | 5,918,824            | 1,953,212                    | 379,285                   | 36,577,226           | 12,070,484                   |
| 35 percent                     | 25,624,818   | 8,968,686                    | 19,331                         | 13,666,231           | 4,783,181                    | 101,229                   | 71,133,894           | 24,896,863                   |
| Form 8615 [3]                  | 0  | 0                            | 0                              | 0                    | 0                            | 384,095                   | 3,557,032            | 754,158                      |

[1] Form 8814 was filed for a dependent child under age 18 for whom the parents made an election to report the child's investment income (if it was from interest, dividends, or capital gains totaling between \$900 and \$9,000) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependent's income.

[2] The 15 percent capital gains rate also includes qualified dividends.

[3] Form 8615 was filed for a child under age 18 to report the child's investment income in excess of \$1,800. The returns in this rate classification are not distributed by tax rate.

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

# Individual Income Tax Rates and Shares, 2008

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

| Type of tax computation by size of adjusted gross income | Number of returns | Adjusted gross income less deficit | Modified taxable income | Income tax before credits, regular tax computation |                    | Tax generated     |                    |
|--|-------------------|------------------------------------|-------------------------|--|--------------------|-------------------|--------------------|
|  |                   |                                    |                         | Number of returns                                  | Amount             | Number of returns | Amount             |
|  | (1)               | (2)                                | (3)                     | (4)  | (5)                | (6)               | (7)                |
| <b>Returns with regular tax computation only</b>         |                   |                                    |                         |  |                    |                   |                    |
| <b>Total</b>   | <b>85,418,967</b> | <b>4,561,162,471</b>               | <b>2,889,223,853</b>    | <b>85,418,967</b>                                  | <b>473,562,743</b> | <b>85,418,967</b> | <b>473,097,069</b> |
| Under \$5,000  | 236,500           | 551,120                            | 194,055                 | 236,500  | 19,478             | 236,500           | 19,404             |
| \$5,000 under \$10,000                                   | 2,917,315         | 23,287,890                         | 4,588,356               | 2,917,315  | 459,345            | 2,917,315         | 459,345            |
| \$10,000 under \$15,000                                  | 5,614,096         | 70,416,159                         | 21,174,012              | 5,614,096  | 2,125,814          | 5,614,096         | 2,126,237          |
| \$15,000 under \$20,000                                  | 7,027,612         | 123,573,515                        | 45,904,838              | 7,027,612  | 4,817,528          | 7,027,612         | 4,817,338          |
| \$20,000 under \$25,000                                  | 7,680,823         | 172,896,336                        | 71,850,761              | 7,680,823  | 8,264,263          | 7,680,823         | 8,264,104          |
| \$25,000 under \$30,000                                  | 7,365,426         | 202,131,395                        | 95,688,414              | 7,365,426  | 11,471,896         | 7,365,426         | 11,471,248         |
| \$30,000 under \$40,000                                  | 12,487,221        | 434,083,827                        | 234,733,478             | 12,487,221   | 29,314,151         | 12,487,221        | 29,313,381         |
| \$40,000 under \$50,000                                  | 9,272,315         | 415,343,053                        | 246,998,655             | 9,272,315  | 32,846,119         | 9,272,315         | 32,839,834         |
| \$50,000 under \$75,000                                  | 15,123,300        | 926,523,084                        | 588,516,125             | 15,123,300   | 85,391,463         | 15,123,300        | 85,378,315         |
| \$75,000 under \$100,000                                 | 8,456,976         | 729,852,412                        | 493,867,464             | 8,456,976  | 74,832,354         | 8,456,976         | 74,797,592         |
| \$100,000 under \$200,000                                | 8,014,139         | 1,038,899,386                      | 745,193,649             | 8,014,139  | 133,834,905        | 8,014,139         | 133,729,675        |
| \$200,000 under \$500,000                                | 1,098,597         | 297,839,001                        | 233,125,118             | 1,098,597  | 55,788,059         | 1,098,597         | 55,650,548         |
| \$500,000 under \$1,000,000                              | 95,060            | 62,836,753                         | 52,977,642              | 95,060   | 16,071,249         | 95,060            | 15,970,974         |
| \$1,000,000 under \$1,500,000                            | 15,957            | 19,213,324                         | 16,707,608              | 15,957   | 5,433,800          | 15,957            | 5,420,468          |
| \$1,500,000 under \$2,000,000                            | 5,509             | 9,433,468                          | 7,964,102               | 5,509  | 2,649,607          | 5,509             | 2,641,825          |
| \$2,000,000 under \$5,000,000                            | 6,674             | 19,060,292                         | 16,444,100              | 6,674  | 5,608,387          | 6,674             | 5,580,683          |
| \$5,000,000 under \$10,000,000                           | 1,047             | 7,079,380                          | 6,136,779               | 1,047  | 2,135,509          | 1,047             | 2,120,804          |
| \$10,000,000 or more                                     | 400               | 8,142,077                          | 7,158,697               | 400  | 2,498,816          | 400               | 2,495,293          |
| <b>Returns with Form 8615 tax computation [2]</b>        |                   |                                    |                         |  |                    |                   |                    |
| <b>Total</b>   | <b>384,095</b>    | <b>5,133,946</b>                   | <b>4,365,648</b>        | <b>384,095</b>                                     | <b>823,259</b>     | <b>384,095</b>    | <b>797,121</b>     |
| Under \$5,000  | 181,088           | 608,301                            | 436,525                 | 181,088  | 41,116             | 181,088           | 52,159             |
| \$5,000 under \$10,000                                   | 103,407           | 724,249                            | 497,766                 | 103,407  | 46,539             | 103,407           | 65,388             |
| \$10,000 under \$15,000                                  | 45,353            | 544,208                            | 410,221                 | 45,353   | 43,279             | 45,353            | 65,234             |
| \$15,000 under \$20,000                                  | 21,226            | 361,430                            | 318,491                 | 21,226   | 36,192             | 21,226            | 50,728             |
| \$20,000 under \$25,000                                  | 7,965             | 174,411                            | 152,786                 | 7,965  | 19,721             | 7,965             | 26,603             |
| \$25,000 under \$30,000                                  | 5,678             | 160,566                            | 135,640                 | 5,678  | 18,195             | 5,678             | 29,690             |
| \$30,000 under \$40,000                                  | 5,522             | 188,180                            | 156,967                 | 5,522  | 21,844             | 5,522             | 36,744             |
| \$40,000 under \$50,000                                  | * 3,763           | * 168,967                          | * 147,052               | * 3,763  | * 23,534           | * 3,763           | * 26,966           |
| \$50,000 under \$75,000                                  | * 4,543           | * 271,664                          | * 279,601               | * 4,543  | * 46,467           | * 4,543           | * 52,195           |
| \$75,000 under \$100,000                                 | * 1,275           | * 100,183                          | * 92,778                | * 1,275  | * 18,536           | * 1,275           | * 23,252           |
| \$100,000 under \$200,000                                | * 2,529           | * 351,460                          | * 291,135               | * 2,529  | * 60,303           | * 2,529           | * 64,362           |
| \$200,000 under \$500,000                                | 749               | 250,391                            | 256,559                 | 749  | 66,100             | 749               | 38,278             |
| \$500,000 under \$1,000,000                              | 564               | 405,964                            | 423,891                 | 564  | 122,520            | 564               | 93,942             |
| \$1,000,000 under \$1,500,000                            | 254               | 291,311                            | 267,407                 | 254  | 88,176             | 254               | 57,262             |
| \$1,500,000 under \$2,000,000                            | 107               | 181,303                            | 165,458                 | 107  | 55,623             | 107               | 41,049             |
| \$2,000,000 under \$5,000,000                            | 51                | 162,894                            | 155,461                 | 51   | 53,323             | 51                | 36,128             |
| \$5,000,000 under \$10,000,000                           | 19                | 134,792                            | 128,822                 | 19   | 44,676             | 19                | 25,083             |
| \$10,000,000 or more                                     | * 3               | * 53,671                           | * 49,088                | * 3  | * 17,116           | * 3               | * 12,058           |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

| Type of tax computation by size of adjusted gross income | Number of returns | Adjusted gross income less deficit | Modified taxable income | Income tax before credits, regular tax computation |                    | Tax generated     |                    |
|--|-------------------|------------------------------------|-------------------------|--|--------------------|-------------------|--------------------|
|  |                   |                                    |                         | Number of returns                                  | Amount             | Number of returns | Amount             |
|  | (1)               | (2)                                | (3)                     | (4)  | (5)                | (6)               | (7)                |
| <b>Returns with Schedule D tax computation</b>           |                   |                                    |                         |  |                    |                   |                    |
| <b>Total</b>   | <b>20,936,388</b> | <b>3,291,004,790</b>               | <b>2,190,413,003</b>    | <b>20,936,388</b>                                  | <b>645,240,720</b> | <b>20,936,388</b> | <b>576,898,737</b> |
| Under \$5,000  | 97,268            | 278,525                            | 63,242                  | 97,268   | 9,920              | 97,268            | 6,362              |
| \$5,000 under \$10,000                                   | 157,981           | 1,173,429                          | 255,412                 | 157,981  | 33,479             | 157,981           | 25,981             |
| \$10,000 under \$15,000                                  | 356,068           | 4,523,750                          | 991,402                 | 356,068  | 126,375            | 356,068           | 100,277            |
| \$15,000 under \$20,000                                  | 473,796           | 8,308,943                          | 2,818,465               | 473,796  | 348,059            | 473,796           | 289,956            |
| \$20,000 under \$25,000                                  | 558,401           | 12,616,505                         | 4,291,706               | 558,401  | 582,390            | 558,401           | 481,972            |
| \$25,000 under \$30,000                                  | 654,183           | 18,040,240                         | 7,106,562               | 654,183  | 981,009            | 654,183           | 838,867            |
| \$30,000 under \$40,000                                  | 1,450,106         | 50,953,001                         | 24,264,597              | 1,450,106  | 3,373,755          | 1,450,106         | 2,989,328          |
| \$40,000 under \$50,000                                  | 1,542,995         | 69,471,581                         | 37,752,615              | 1,542,995  | 5,478,539          | 1,542,995         | 4,981,523          |
| \$50,000 under \$75,000                                  | 3,827,165         | 238,776,606                        | 143,789,385             | 3,827,165  | 23,533,636         | 3,827,165         | 21,753,685         |
| \$75,000 under \$100,000                                 | 3,151,460         | 273,457,579                        | 176,125,593             | 3,151,460  | 29,729,011         | 3,151,460         | 27,752,147         |
| \$100,000 under \$200,000                                | 5,672,903         | 783,623,260                        | 542,858,507             | 5,672,903  | 109,532,567        | 5,672,903         | 104,793,647        |
| \$200,000 under \$500,000                                | 2,280,189         | 665,613,273                        | 484,901,296             | 2,280,189  | 132,491,571        | 2,280,189         | 124,679,561        |
| \$500,000 under \$1,000,000                              | 451,937           | 308,430,371                        | 227,032,986             | 451,937  | 80,228,774         | 451,937           | 73,322,123         |
| \$1,000,000 under \$1,500,000                            | 114,410           | 138,081,370                        | 99,105,694              | 114,410  | 39,118,095         | 114,410           | 34,971,365         |
| \$1,500,000 under \$2,000,000                            | 48,813            | 84,037,419                         | 59,287,300              | 48,813   | 24,658,726         | 48,813            | 21,741,025         |
| \$2,000,000 under \$5,000,000                            | 70,666            | 210,875,738                        | 143,973,871             | 70,666   | 63,822,855         | 70,666            | 55,165,147         |
| \$5,000,000 under \$10,000,000                           | 17,402            | 118,927,039                        | 75,323,812              | 17,402   | 36,928,071         | 17,402            | 30,660,333         |
| \$10,000,000 or more                                     | 10,647            | 303,816,161                        | 160,470,557             | 10,647   | 94,263,888         | 10,647            | 72,345,441         |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

| Type of tax computation by size of adjusted gross income | Tax differences due to alternative computations | Taxes from special computation |                | Alternative minimum tax |                  |
|--|---|--------------------------------|----------------|-------------------------|------------------|
|  |   | Number of returns              | Amount         | Number of returns       | Amount           |
|  | (8)   | (9)                            | (10)           | (11)                    | (12)             |
| <b>Returns with regular tax computation only</b>         |   |                                |                |                         |                  |
| <b>Total</b>   | <b>0</b>  | <b>* 6,826</b>                 | <b>* 5,770</b> | <b>1,308,693</b>        | <b>4,380,327</b> |
| Under \$5,000  | 0   | 0                              | 0              | * 8                     | * 60             |
| \$5,000 under \$10,000                                   | 0   | 0                              | 0              | * 652                   | * 197            |
| \$10,000 under \$15,000                                  | 0   | * 1,003                        | * 4,625        | * 1,981                 | * 490            |
| \$15,000 under \$20,000                                  | 0   | 0                              | 0              | * 2,901                 | * 1,938          |
| \$20,000 under \$25,000                                  | 0   | * 1,003                        | * 100          | * 2,274                 | * 1,744          |
| \$25,000 under \$30,000                                  | 0   | * 1,003                        | * 110          | 0                       | 0                |
| \$30,000 under \$40,000                                  | 0   | 0                              | 0              | * 70                    | * 158            |
| \$40,000 under \$50,000                                  | 0   | 0                              | 0              | * 2,334                 | * 4,177          |
| \$50,000 under \$75,000                                  | 0   | 0                              | 0              | 62,929                  | 55,171           |
| \$75,000 under \$100,000                                 | 0   | 0                              | 0              | 82,967                  | 119,273          |
| \$100,000 under \$200,000                                | 0   | * 3,026                        | * 756          | 413,299                 | 828,040          |
| \$200,000 under \$500,000                                | 0   | * 790                          | * 178          | 696,215                 | 2,933,165        |
| \$500,000 under \$1,000,000                              | 0   | 0                              | 0              | 40,850                  | 352,869          |
| \$1,000,000 under \$1,500,000                            | 0   | 0                              | 0              | 1,489                   | 34,466           |
| \$1,500,000 under \$2,000,000                            | 0   | 0                              | 0              | 334                     | 13,766           |
| \$2,000,000 under \$5,000,000                            | 0   | 0                              | 0              | 343                     | 20,115           |
| \$5,000,000 under \$10,000,000                           | 0   | 0                              | 0              | 31                      | 3,822            |
| \$10,000,000 or more                                     | 0   | 0                              | 0              | 13                      | 10,876           |
| <b>Returns with Form 8615 tax computation [2]</b>        |   |                                |                |                         |                  |
| <b>Total</b>   | <b>-26,138</b>                                  | <b>0</b>                       | <b>0</b>       | <b>4,897</b>            | <b>14,591</b>    |
| Under \$5,000  | 11,043  | 0                              | 0              | 0                       | 0                |
| \$5,000 under \$10,000                                   | 18,849  | 0                              | 0              | 0                       | 0                |
| \$10,000 under \$15,000                                  | 21,955  | 0                              | 0              | * 652                   | * 16             |
| \$15,000 under \$20,000                                  | 14,536  | 0                              | 0              | * 1,271                 | * 661            |
| \$20,000 under \$25,000                                  | 6,882   | 0                              | 0              | 0                       | 0                |
| \$25,000 under \$30,000                                  | 11,495  | 0                              | 0              | * 1,315                 | * 2,908          |
| \$30,000 under \$40,000                                  | 14,900  | 0                              | 0              | 0                       | 0                |
| \$40,000 under \$50,000                                  | * 3,433   | 0                              | 0              | * 652                   | * 29             |
| \$50,000 under \$75,000                                  | * 5,729   | 0                              | 0              | * 435                   | * 3,632          |
| \$75,000 under \$100,000                                 | * 4,716   | 0                              | 0              | * 32                    | * 453            |
| \$100,000 under \$200,000                                | * 4,059   | 0                              | 0              | * 315                   | * 3,948          |
| \$200,000 under \$500,000                                | -27,822   | 0                              | 0              | * 136                   | * 531            |
| \$500,000 under \$1,000,000                              | -28,578   | 0                              | 0              | * 8                     | * 40             |
| \$1,000,000 under \$1,500,000                            | -30,914   | 0                              | 0              | * 74                    | * 1,957          |
| \$1,500,000 under \$2,000,000                            | -14,574   | 0                              | 0              | 0                       | 0                |
| \$2,000,000 under \$5,000,000                            | -17,195   | 0                              | 0              | * 3                     | * 79             |
| \$5,000,000 under \$10,000,000                           | -19,593   | 0                              | 0              | ** 4                    | ** 336           |
| \$10,000,000 or more                                     | * -5,059  | 0                              | 0              | **                      | **               |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

| Type of tax computation by size of adjusted gross income | Tax differences due to alternative computations | Taxes from special computation |                | Alternative minimum tax |                   |
|--|---|--------------------------------|----------------|-------------------------|-------------------|
|  |   | Number of returns              | Amount         | Number of returns       | Amount            |
|  | (8)   | (9)                            | (10)           | (11)                    | (12)              |
| <b>Returns with Schedule D tax computation</b>           |   |                                |                |                         |                   |
| <b>Total</b>   | <b>-68,341,983</b>                              | <b>* 1,799</b>                 | <b>* 3,766</b> | <b>2,495,351</b>        | <b>17,745,760</b> |
| Under \$5,000  | -3,558  | 0                              | 0              | 0                       | 0                 |
| \$5,000 under \$10,000                                   | -7,499  | 0                              | 0              | 0                       | 0                 |
| \$10,000 under \$15,000                                  | -26,099   | 0                              | 0              | * 652                   | * 521             |
| \$15,000 under \$20,000                                  | -58,103   | 0                              | 0              | 0                       | 0                 |
| \$20,000 under \$25,000                                  | -100,418  | 0                              | 0              | 0                       | 0                 |
| \$25,000 under \$30,000                                  | -142,142  | 0                              | 0              | * 1,977                 | * 2,388           |
| \$30,000 under \$40,000                                  | -384,427  | 0                              | 0              | * 1,302                 | * 2,251           |
| \$40,000 under \$50,000                                  | -497,015  | 0                              | 0              | * 1,247                 | * 5,043           |
| \$50,000 under \$75,000                                  | -1,779,951                                      | * 1,621                        | * 2,835        | 4,213                   | 6,286             |
| \$75,000 under \$100,000                                 | -1,976,865                                      | * 141                          | * 801          | 21,353                  | 39,294            |
| \$100,000 under \$200,000                                | -4,738,920                                      | * 31                           | * 127          | 426,171                 | 1,024,947         |
| \$200,000 under \$500,000                                | -7,812,010                                      | * 6                            | * 3            | 1,711,196               | 10,198,618        |
| \$500,000 under \$1,000,000                              | -6,906,651                                      | 0                              | 0              | 264,492                 | 3,291,593         |
| \$1,000,000 under \$1,500,000                            | -4,146,731                                      | 0                              | 0              | 30,849                  | 759,211           |
| \$1,500,000 under \$2,000,000                            | -2,917,701                                      | 0                              | 0              | 11,069                  | 351,040           |
| \$2,000,000 under \$5,000,000                            | -8,657,708                                      | 0                              | 0              | 15,187                  | 791,661           |
| \$5,000,000 under \$10,000,000                           | -6,267,738                                      | 0                              | 0              | 3,465                   | 359,912           |
| \$10,000,000 or more                                     | -21,918,447                                     | 0                              | 0              | 2,178                   | 912,996           |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

| Type of tax computation by size of adjusted gross income | Income tax before credits |                    | Total tax credits |                   | Income tax after credits |                    |
|--|---------------------------|--------------------|-------------------|-------------------|--------------------------|--------------------|
|  | Number of returns         | Amount             | Number of returns | Amount            | Number of returns        | Amount             |
|  | (13)                      | (14)               | (15)              | (16)              | (17)                     | (18)               |
| <b>Returns with regular tax computation only</b>         |                           |                    |                   |                   |                          |                    |
| <b>Total</b>   | <b>85,418,967</b>         | <b>477,483,165</b> | <b>43,657,703</b> | <b>49,378,990</b> | <b>69,829,212</b>        | <b>428,104,175</b> |
| Under \$5,000  | 236,500                   | 19,464             | 3,265             | 466               | 233,236                  | 18,998             |
| \$5,000 under \$10,000                                   | 2,917,315                 | 459,542            | 574,586           | 30,444            | 2,349,939                | 429,098            |
| \$10,000 under \$15,000                                  | 5,614,096                 | 2,131,352          | 3,101,535         | 720,574           | 3,895,977                | 1,410,778          |
| \$15,000 under \$20,000                                  | 7,027,612                 | 4,819,276          | 4,537,422         | 1,579,005         | 4,853,375                | 3,240,271          |
| \$20,000 under \$25,000                                  | 7,680,823                 | 8,265,949          | 4,735,526         | 2,360,180         | 4,932,585                | 5,905,769          |
| \$25,000 under \$30,000                                  | 7,365,426                 | 11,471,359         | 4,251,393         | 3,128,157         | 4,743,816                | 8,343,202          |
| \$30,000 under \$40,000                                  | 12,487,221                | 29,313,540         | 6,514,816         | 6,493,949         | 9,444,800                | 22,819,591         |
| \$40,000 under \$50,000                                  | 9,272,315                 | 32,844,011         | 4,546,402         | 6,018,002         | 7,874,381                | 26,826,009         |
| \$50,000 under \$75,000                                  | 15,123,300                | 85,433,486         | 7,192,443         | 12,865,719        | 13,985,773               | 72,567,767         |
| \$75,000 under \$100,000                                 | 8,456,976                 | 74,916,865         | 4,425,169         | 8,937,796         | 8,303,649                | 65,979,069         |
| \$100,000 under \$200,000                                | 8,014,139                 | 134,558,471        | 3,548,268         | 5,816,842         | 7,990,433                | 128,741,629        |
| \$200,000 under \$500,000                                | 1,098,597                 | 58,583,892         | 192,015           | 677,674           | 1,096,829                | 57,906,217         |
| \$500,000 under \$1,000,000                              | 95,060                    | 16,323,843         | 26,158            | 248,010           | 94,901                   | 16,075,833         |
| \$1,000,000 under \$1,500,000                            | 15,957                    | 5,454,934          | 4,628             | 97,423            | 15,929                   | 5,357,511          |
| \$1,500,000 under \$2,000,000                            | 5,509                     | 2,655,591          | 1,597             | 63,958            | 5,485                    | 2,591,633          |
| \$2,000,000 under \$5,000,000                            | 6,674                     | 5,600,797          | 1,964             | 101,958           | 6,658                    | 5,498,839          |
| \$5,000,000 under \$10,000,000                           | 1,047                     | 2,124,625          | 346               | 52,267            | 1,047                    | 2,072,358          |
| \$10,000,000 or more                                     | 400                       | 2,506,168          | 168               | 186,565           | 398                      | 2,319,603          |
| <b>Returns with Form 8615 tax computation [2]</b>        |                           |                    |                   |                   |                          |                    |
| <b>Total</b>   | <b>384,095</b>            | <b>811,712</b>     | <b>114,380</b>    | <b>21,192</b>     | <b>374,323</b>           | <b>790,520</b>     |
| Under \$5,000  | 181,088                   | 52,159             | 40,613            | 1,511             | 172,622                  | 50,648             |
| \$5,000 under \$10,000                                   | 103,407                   | 65,388             | 31,888            | 1,683             | 102,109                  | 63,706             |
| \$10,000 under \$15,000                                  | 45,353                    | 65,251             | 14,700            | 1,066             | 45,353                   | 64,185             |
| \$15,000 under \$20,000                                  | 21,226                    | 51,389             | 7,521             | 616               | 21,226                   | 50,773             |
| \$20,000 under \$25,000                                  | 7,965                     | 26,603             | * 4,337           | * 284             | 7,965                    | 26,319             |
| \$25,000 under \$30,000                                  | 5,678                     | 32,598             | * 4,014           | * 659             | 5,678                    | 31,939             |
| \$30,000 under \$40,000                                  | 5,522                     | 36,744             | * 2,256           | * 1,536           | 5,522                    | 35,207             |
| \$40,000 under \$50,000                                  | * 3,763                   | * 26,995           | * 2,492           | * 900             | * 3,763                  | * 26,095           |
| \$50,000 under \$75,000                                  | * 4,543                   | * 55,827           | * 2,613           | * 289             | * 4,543                  | * 55,539           |
| \$75,000 under \$100,000                                 | * 1,275                   | * 23,705           | * 624             | * 56              | * 1,275                  | * 23,649           |
| \$100,000 under \$200,000                                | * 2,529                   | * 68,310           | * 1,912           | * 251             | * 2,529                  | * 68,059           |
| \$200,000 under \$500,000                                | 749                       | 38,809             | 709               | 1,087             | * 742                    | * 37,722           |
| \$500,000 under \$1,000,000                              | 564                       | 93,982             | 367               | 2,639             | 564                      | 91,343             |
| \$1,000,000 under \$1,500,000                            | 254                       | 59,219             | 205               | 1,809             | 253                      | 57,410             |
| \$1,500,000 under \$2,000,000                            | 107                       | 41,049             | * 75              | * 3,419           | 107                      | 37,630             |
| \$2,000,000 under \$5,000,000                            | 51                        | 36,207             | * 38              | * 377             | 51                       | 35,830             |
| \$5,000,000 under \$10,000,000                           | 19                        | 25,356             | 13                | 484               | 19                       | 24,872             |
| \$10,000,000 or more                                     | * 3                       | * 12,120           | * 3               | * 2,526           | * 3                      | * 9,594            |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

| Type of tax computation by size of adjusted gross income | Income tax before credits |                    | Total tax credits |                   | Income tax after credits |                    |
|--|---------------------------|--------------------|-------------------|-------------------|--------------------------|--------------------|
|  | Number of returns         | Amount             | Number of returns | Amount            | Number of returns        | Amount             |
|  | (13)                      | (14)               | (15)              | (16)              | (17)                     | (18)               |
| <b>Returns with Schedule D tax computation</b>           |                           |                    |                   |                   |                          |                    |
| <b>Total</b>   | <b>20,936,388</b>         | <b>594,648,263</b> | <b>11,158,504</b> | <b>18,234,713</b> | <b>20,068,594</b>        | <b>576,413,550</b> |
| Under \$5,000  | 97,268                    | 6,362              | 16,129            | 337               | 92,920                   | 6,025              |
| \$5,000 under \$10,000                                   | 157,981                   | 25,981             | 29,459            | 744               | 152,046                  | 25,237             |
| \$10,000 under \$15,000                                  | 356,068                   | 100,798            | 149,749           | 23,266            | 284,683                  | 77,531             |
| \$15,000 under \$20,000                                  | 473,796                   | 289,956            | 255,517           | 76,239            | 406,872                  | 213,716            |
| \$20,000 under \$25,000                                  | 558,401                   | 481,972            | 264,374           | 87,972            | 482,634                  | 394,000            |
| \$25,000 under \$30,000                                  | 654,183                   | 841,255            | 306,738           | 117,913           | 571,926                  | 723,343            |
| \$30,000 under \$40,000                                  | 1,450,106                 | 2,991,578          | 690,737           | 353,420           | 1,290,383                | 2,638,158          |
| \$40,000 under \$50,000                                  | 1,542,995                 | 4,986,566          | 764,177           | 515,470           | 1,415,331                | 4,471,096          |
| \$50,000 under \$75,000                                  | 3,827,165                 | 21,762,806         | 1,937,815         | 1,881,768         | 3,641,548                | 19,881,038         |
| \$75,000 under \$100,000                                 | 3,151,460                 | 27,792,242         | 1,799,855         | 2,145,244         | 3,095,815                | 25,646,998         |
| \$100,000 under \$200,000                                | 5,672,903                 | 105,818,721        | 3,260,948         | 3,576,293         | 5,644,225                | 102,242,428        |
| \$200,000 under \$500,000                                | 2,280,189                 | 134,878,182        | 1,201,072         | 1,856,619         | 2,277,427                | 133,021,563        |
| \$500,000 under \$1,000,000                              | 451,937                   | 76,613,716         | 291,480           | 1,206,016         | 451,244                  | 75,407,700         |
| \$1,000,000 under \$1,500,000                            | 114,410                   | 35,730,575         | 79,709            | 718,617           | 114,270                  | 35,011,959         |
| \$1,500,000 under \$2,000,000                            | 48,813                    | 22,092,065         | 35,258            | 418,163           | 48,745                   | 21,673,902         |
| \$2,000,000 under \$5,000,000                            | 70,666                    | 55,956,808         | 52,828            | 1,461,677         | 70,548                   | 54,495,130         |
| \$5,000,000 under \$10,000,000                           | 17,402                    | 31,020,245         | 13,751            | 863,282           | 17,359                   | 30,156,963         |
| \$10,000,000 or more                                     | 10,647                    | 73,258,436         | 8,909             | 2,931,672         | 10,619                   | 70,326,764         |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

| Type of tax computation by size of adjusted gross income | Total income tax  |                    |                         |                       |                              |
|--|-------------------|--------------------|-------------------------|-----------------------|------------------------------|
|  | Number of returns | Amount             | As a percentage of      |                       | Average income tax (dollars) |
|  |                   |                    | Modified taxable income | Adjusted gross income |                              |
|  | (19)              | (20)               | (21)                    | (22)                  | (23)                         |
| <b>Returns with regular tax computation only</b>         |                   |                    |                         |                       |                              |
| <b>Total</b>   | <b>69,829,212</b> | <b>428,104,175</b> | <b>14.8</b>             | <b>9.4</b>            | <b>5,012</b>                 |
| Under \$5,000  | 233,236           | 18,998             | 9.8                     | 3.4                   | 80                           |
| \$5,000 under \$10,000                                   | 2,349,939         | 429,098            | 9.4                     | 1.8                   | 147                          |
| \$10,000 under \$15,000                                  | 3,895,977         | 1,410,778          | 6.7                     | 2.0                   | 251                          |
| \$15,000 under \$20,000                                  | 4,853,375         | 3,240,271          | 7.1                     | 2.6                   | 461                          |
| \$20,000 under \$25,000                                  | 4,932,585         | 5,905,769          | 8.2                     | 3.4                   | 769                          |
| \$25,000 under \$30,000                                  | 4,743,816         | 8,343,202          | 8.7                     | 4.1                   | 1,133                        |
| \$30,000 under \$40,000                                  | 9,444,800         | 22,819,591         | 9.7                     | 5.3                   | 1,827                        |
| \$40,000 under \$50,000                                  | 7,874,381         | 26,826,009         | 10.9                    | 6.5                   | 2,893                        |
| \$50,000 under \$75,000                                  | 13,985,773        | 72,567,767         | 12.3                    | 7.8                   | 4,798                        |
| \$75,000 under \$100,000                                 | 8,303,649         | 65,979,069         | 13.4                    | 9.0                   | 7,802                        |
| \$100,000 under \$200,000                                | 7,990,433         | 128,741,629        | 17.3                    | 12.4                  | 16,064                       |
| \$200,000 under \$500,000                                | 1,096,829         | 57,906,217         | 24.8                    | 19.4                  | 52,709                       |
| \$500,000 under \$1,000,000                              | 94,901            | 16,075,833         | 30.3                    | 25.6                  | 169,112                      |
| \$1,000,000 under \$1,500,000                            | 15,929            | 5,357,511          | 32.1                    | 27.9                  | 335,747                      |
| \$1,500,000 under \$2,000,000                            | 5,485             | 2,591,633          | 32.5                    | 27.5                  | 470,436                      |
| \$2,000,000 under \$5,000,000                            | 6,658             | 5,498,839          | 33.4                    | 28.8                  | 823,920                      |
| \$5,000,000 under \$10,000,000                           | 1,047             | 2,072,358          | 33.8                    | 29.3                  | 1,979,330                    |
| \$10,000,000 or more                                     | 398               | 2,319,603          | 32.4                    | 28.5                  | 5,799,008                    |
| <b>Returns with Form 8615 tax computation [2]</b>        |                   |                    |                         |                       |                              |
| <b>Total</b>   | <b>374,323</b>    | <b>790,520</b>     | <b>18.1</b>             | <b>15.4</b>           | <b>2,058</b>                 |
| Under \$5,000  | 172,622           | 50,648             | 11.6                    | 8.3                   | 280                          |
| \$5,000 under \$10,000                                   | 102,109           | 63,706             | 12.8                    | 8.8                   | 616                          |
| \$10,000 under \$15,000                                  | 45,353            | 64,185             | 15.6                    | 11.8                  | 1,415                        |
| \$15,000 under \$20,000                                  | 21,226            | 50,773             | 15.9                    | 14.0                  | 2,392                        |
| \$20,000 under \$25,000                                  | 7,965             | 26,319             | 17.2                    | 15.1                  | 3,304                        |
| \$25,000 under \$30,000                                  | 5,678             | 31,939             | 23.5                    | 19.9                  | 5,625                        |
| \$30,000 under \$40,000                                  | 5,522             | 35,207             | 22.4                    | 18.7                  | 6,376                        |
| \$40,000 under \$50,000                                  | * 3,763           | * 26,095           | * 17.7                  | * 15.4                | * 6,935                      |
| \$50,000 under \$75,000                                  | * 4,543           | * 55,539           | * 19.9                  | * 20.4                | * 12,225                     |
| \$75,000 under \$100,000                                 | * 1,275           | * 23,649           | * 25.5                  | * 23.6                | * 18,548                     |
| \$100,000 under \$200,000                                | * 2,529           | * 68,059           | * 23.4                  | * 19.4                | * 26,911                     |
| \$200,000 under \$500,000                                | * 742             | * 37,722           | 14.7                    | 15.1                  | 50,363                       |
| \$500,000 under \$1,000,000                              | 564               | 91,343             | 21.5                    | 22.5                  | 161,956                      |
| \$1,000,000 under \$1,500,000                            | 253               | 57,410             | 21.5                    | 19.7                  | 226,024                      |
| \$1,500,000 under \$2,000,000                            | 107               | 37,630             | 22.7                    | 20.8                  | 351,682                      |
| \$2,000,000 under \$5,000,000                            | 51                | 35,830             | 23.0                    | 22.0                  | 702,549                      |
| \$5,000,000 under \$10,000,000                           | 19                | 24,872             | 19.3                    | 18.5                  | 1,309,053                    |
| \$10,000,000 or more                                     | * 3               | * 9,594            | * 19.5                  | * 17.9                | * 3,198,000                  |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued**

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

| Type of tax computation by size of adjusted gross income | Total income tax  |                    |                         |                       |                              |
|--|-------------------|--------------------|-------------------------|-----------------------|------------------------------|
|  | Number of returns | Amount             | As a percentage of      |                       | Average income tax (dollars) |
|  |                   |                    | Modified taxable income | Adjusted gross income |                              |
|  | (19)              | (20)               | (21)                    | (22)                  | (23)                         |
| <b>Returns with Schedule D tax computation</b>           |                   |                    |                         |                       |                              |
| <b>Total</b>   | <b>20,068,595</b> | <b>576,413,756</b> | <b>26.3</b>             | <b>17.5</b>           | <b>27,532</b>                |
| Under \$5,000  | 92,920            | 6,025              | 9.5                     | 2.2                   | 62                           |
| \$5,000 under \$10,000                                   | 152,046           | 25,237             | 9.9                     | 2.2                   | 160                          |
| \$10,000 under \$15,000                                  | 284,683           | 77,531             | 7.8                     | 1.7                   | 218                          |
| \$15,000 under \$20,000                                  | 406,872           | 213,716            | 7.6                     | 2.6                   | 451                          |
| \$20,000 under \$25,000                                  | 482,634           | 394,000            | 9.2                     | 3.1                   | 706                          |
| \$25,000 under \$30,000                                  | 571,926           | 723,343            | 10.2                    | 4.0                   | 1,106                        |
| \$30,000 under \$40,000                                  | 1,290,383         | 2,638,158          | 10.9                    | 5.2                   | 1,819                        |
| \$40,000 under \$50,000                                  | 1,415,331         | 4,471,096          | 11.8                    | 6.4                   | 2,898                        |
| \$50,000 under \$75,000                                  | 3,641,548         | 19,881,038         | 13.8                    | 8.3                   | 5,195                        |
| \$75,000 under \$100,000                                 | 3,095,815         | 25,646,998         | 14.6                    | 9.4                   | 8,138                        |
| \$100,000 under \$200,000                                | 5,644,225         | 102,242,428        | 18.8                    | 13.0                  | 18,023                       |
| \$200,000 under \$500,000                                | 2,277,428         | 133,021,563        | 27.4                    | 20.0                  | 58,338                       |
| \$500,000 under \$1,000,000                              | 451,244           | 75,407,765         | 33.2                    | 24.4                  | 166,855                      |
| \$1,000,000 under \$1,500,000                            | 114,270           | 35,011,959         | 35.3                    | 25.4                  | 306,022                      |
| \$1,500,000 under \$2,000,000                            | 48,745            | 21,673,902         | 36.6                    | 25.8                  | 444,019                      |
| \$2,000,000 under \$5,000,000                            | 70,548            | 54,495,271         | 37.9                    | 25.8                  | 771,167                      |
| \$5,000,000 under \$10,000,000                           | 17,359            | 30,156,963         | 40.0                    | 25.4                  | 1,732,960                    |
| \$10,000,000 or more                                     | 10,619            | 70,326,764         | 43.8                    | 23.1                  | 6,605,313                    |

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

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

[1] See section 4 for the definition of modified taxable income.

[2] See table 3.1A for more details on returns with Form 8615 tax computation.

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

# Individual Income Tax Rates and Shares, 2008

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**Table 4b. Returns with Form 8615 Tax Computation: Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008**

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

| Size of adjusted gross income  | Number of returns | Income tax before credits, regular tax computation | Tax generated with Schedule D computation [1] | Tax differences due to regular tax computation vs. with Schedule D computation | Tax generated  | Tax differences due to Form 8615 computation vs. with Schedule D computation |
|--------------------------------|-------------------|--|---|--|----------------|--|
|                                | (1)               | (2)  | (3)   | (4)  | (5)            | (6)  |
| <b>Total</b>                   | <b>384,095</b>    | <b>823,259</b>                                     | <b>563,346</b>                                | <b>-259,913</b>  | <b>797,121</b> | <b>233,775</b>   |
| Under \$5,000                  | 181,088           | 41,116   | 35,172  | -5,944   | 52,159         | 16,987   |
| \$5,000 under \$10,000         | 103,407           | 46,539   | 34,273  | -12,266  | 65,388         | 31,115   |
| \$10,000 under \$15,000        | 45,353            | 43,279   | 32,922  | -10,357  | 65,234         | 32,312   |
| \$15,000 under \$20,000        | 21,226            | 36,192   | 27,527  | -8,665   | 50,728         | 23,201   |
| \$20,000 under \$25,000        | 7,965             | 19,721   | 13,592  | -6,129   | 26,603         | 13,011   |
| \$25,000 under \$30,000        | 5,678             | 18,195   | 14,587  | -3,608   | 29,690         | 15,103   |
| \$30,000 under \$40,000        | 5,522             | 21,844   | 14,938  | -6,906   | 36,744         | 21,806   |
| \$40,000 under \$50,000        | * 3,763           | * 23,534   | * 14,785                                      | * -8,749   | * 26,966       | * 12,181   |
| \$50,000 under \$75,000        | * 4,543           | * 46,467   | * 30,219                                      | * -16,248  | * 52,195       | * 21,976   |
| \$75,000 under \$100,000       | * 1,275           | * 18,536   | * 16,165                                      | * -2,371   | * 23,252       | * 7,087  |
| \$100,000 under \$200,000      | * 2,529           | * 60,303   | * 45,300                                      | * -15,003  | * 64,362       | * 19,062   |
| \$200,000 under \$500,000      | 749               | 66,100   | 34,227  | -31,873  | 38,278         | 4,051  |
| \$500,000 under \$1,000,000    | 564               | 122,520  | 85,118  | -37,402  | 93,942         | 8,824  |
| \$1,000,000 under \$1,500,000  | 254               | 88,176   | 54,235  | -33,941  | 57,262         | 3,027  |
| \$1,500,000 under \$2,000,000  | 107               | 55,623   | 38,896  | -16,727  | 41,049         | 2,153  |
| \$2,000,000 under \$5,000,000  | 51                | 53,323   | 34,684  | -18,639  | 36,128         | 1,444  |
| \$5,000,000 under \$10,000,000 | 19                | 44,676   | 24,766  | -19,910  | 25,083         | 317  |
| \$10,000,000 or more           | * 3               | * 17,116   | * 11,940                                      | * -5,176   | * 12,058       | * 118  |

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

[1] For returns that did not have Schedule D worksheet, the regular tax computation was used to calculate tax generated. For 2008, 207,126 returns had no worksheet.

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

# Individual Income Tax Rates and Shares, 2008

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**Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2008**

[All figures are estimates based on samples]

| Item, tax year   | Total           | Descending cumulative percentiles |               |               |                |                |                |
|--|-----------------|-----------------------------------|---------------|---------------|----------------|----------------|----------------|
|  |                 | Top 0.1 percent                   | Top 1 percent | Top 5 percent | Top 10 percent | Top 25 percent | Top 50 percent |
|  | (1)             | (2)                               | (2)           | (3)           | (4)            | (5)            | (6)            |
| <b>Number of returns [1]:</b>  |                 |                                   |               |               |                |                |                |
| 1986   | 102,087,623     | 102,088                           | 1,020,876     | 5,104,381     | 10,208,762     | 25,521,906     | 51,043,811     |
| 1987   | 106,154,761     | 106,155                           | 1,061,548     | 5,307,738     | 10,615,476     | 26,538,690     | 53,077,380     |
| 1988   | 108,872,859     | 108,873                           | 1,088,729     | 5,443,643     | 10,887,286     | 27,218,214     | 54,436,429     |
| 1989   | 111,312,721     | 111,313                           | 1,113,127     | 5,565,636     | 11,131,272     | 27,828,181     | 55,656,361     |
| 1990   | 112,812,262     | 112,812                           | 1,128,123     | 5,640,613     | 11,281,226     | 28,203,066     | 56,406,132     |
| 1991   | 113,804,104     | 113,804                           | 1,138,041     | 5,690,205     | 11,380,410     | 28,451,026     | 56,902,052     |
| 1992   | 112,652,759     | 112,653                           | 1,126,528     | 5,632,638     | 11,265,276     | 28,163,190     | 56,326,380     |
| 1993   | 113,681,387     | 113,681                           | 1,136,814     | 5,684,069     | 11,368,139     | 28,420,347     | 56,840,694     |
| 1994   | 114,989,920     | 114,990                           | 1,149,899     | 5,749,496     | 11,498,992     | 28,747,480     | 57,494,960     |
| 1995   | 117,274,186     | 117,274                           | 1,172,742     | 5,863,709     | 11,727,419     | 29,318,546     | 58,637,093     |
| 1996   | 119,441,767     | 119,442                           | 1,194,418     | 5,972,088     | 11,944,177     | 29,860,442     | 59,720,884     |
| 1997   | 121,503,284     | 121,503                           | 1,215,033     | 6,075,164     | 12,150,328     | 30,375,821     | 60,751,642     |
| 1998   | 123,775,831     | 123,776                           | 1,237,758     | 6,188,792     | 12,377,583     | 30,943,958     | 61,887,915     |
| 1999   | 126,008,974     | 126,009                           | 1,260,090     | 6,300,449     | 12,600,897     | 31,502,244     | 63,004,487     |
| 2000   | 128,227,143     | 128,227                           | 1,282,271     | 6,411,357     | 12,822,714     | 32,056,786     | 64,113,572     |
| 2001   | 128,817,051     | 128,817                           | 1,288,171     | 6,440,853     | 12,881,705     | 32,204,263     | 64,408,526     |
| 2002   | 128,323,986     | 128,324                           | 1,283,240     | 6,416,199     | 12,832,399     | 32,080,997     | 64,161,993     |
| 2003   | 128,609,786     | 128,610                           | 1,286,098     | 6,430,489     | 12,860,979     | 32,152,447     | 64,304,893     |
| 2004   | 130,371,156     | 130,371                           | 1,303,712     | 6,518,558     | 13,037,116     | 32,592,789     | 65,185,578     |
| 2005   | 132,611,637     | 132,612                           | 1,326,116     | 6,630,582     | 13,261,164     | 33,152,909     | 66,305,819     |
| 2006   | 135,719,160     | 135,719                           | 1,357,192     | 6,785,958     | 13,571,916     | 33,929,790     | 67,859,580     |
| 2007   | [2] 141,070,971 | 141,071                           | 1,410,710     | 7,053,549     | 14,107,097     | 35,267,743     | 70,535,486     |
| 2008   | 139,960,580     | 139,961                           | 1,399,606     | 6,998,029     | 13,996,058     | 34,990,145     | 69,980,290     |
| <b>Adjusted gross income floor on percentiles (current dollars):</b> |                 |                                   |               |               |                |                |                |
| 1986   | N/A             | [6]                               | 118,818       | 62,377        | 48,656         | 32,242         | 17,302         |
| 1987   | N/A             | [6]                               | 139,289       | 68,414        | 52,921         | 33,983         | 17,768         |
| 1988   | N/A             | [6]                               | 157,136       | 72,735        | 55,437         | 35,398         | 18,367         |
| 1989   | N/A             | [6]                               | 163,869       | 76,933        | 58,263         | 36,839         | 18,993         |
| 1990   | N/A             | [6]                               | 167,421       | 79,064        | 60,287         | 38,080         | 19,767         |
| 1991   | N/A             | [6]                               | 170,139       | 81,720        | 61,944         | 38,929         | 20,097         |
| 1992   | N/A             | [6]                               | 181,904       | 85,103        | 64,457         | 40,378         | 20,803         |
| 1993   | N/A             | [6]                               | 185,715       | 87,386        | 66,077         | 41,210         | 21,179         |
| 1994   | N/A             | [6]                               | 195,726       | 91,226        | 68,753         | 42,742         | 21,802         |
| 1995   | N/A             | [6]                               | 209,406       | 96,221        | 72,094         | 44,207         | 22,344         |
| 1996   | N/A             | [6]                               | 227,546       | 101,141       | 74,986         | 45,757         | 23,174         |
| 1997   | N/A             | [6]                               | 250,736       | 108,048       | 79,212         | 48,173         | 24,393         |
| 1998   | N/A             | [6]                               | 269,496       | 114,729       | 83,220         | 50,607         | 25,491         |
| 1999   | N/A             | [6]                               | 293,415       | 120,846       | 87,682         | 52,965         | 26,415         |
| 2000   | N/A             | [6]                               | 313,469       | 128,336       | 92,144         | 55,225         | 27,682         |
| 2001   | N/A             | 1,324,487                         | 292,913       | 127,904       | 92,754         | 56,085         | 28,528         |
| 2002   | N/A             | 1,191,673                         | 285,424       | 126,525       | 92,663         | 56,401         | 28,654         |
| 2003   | N/A             | 1,262,760                         | 295,495       | 130,080       | 94,891         | 57,343         | 29,019         |
| 2004   | N/A             | 1,548,941                         | 328,049       | 137,056       | 99,112         | 60,041         | 30,122         |
| 2005   | N/A             | 1,848,791                         | 364,657       | 145,283       | 103,912        | 62,068         | 30,881         |
| 2006   | N/A             | 2,044,689                         | 388,806       | 153,542       | 108,904        | 64,702         | 31,987         |
| 2007   | N/A             | 2,155,365                         | 410,096       | 160,041       | 113,018        | 66,532         | 32,879         |
| 2008   | N/A             | 1,803,585                         | 380,354       | 159,619       | 113,799        | 67,280         | 33,048         |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2008—Continued**

[All figures are estimates based on samples]

| Item, tax year  | Total     | Descending cumulative percentiles |               |               |                |                |                |
|---|-----------|-----------------------------------|---------------|---------------|----------------|----------------|----------------|
|   |           | Top 0.1 percent                   | Top 1 percent | Top 5 percent | Top 10 percent | Top 25 percent | Top 50 percent |
|   | (1)       | (2)                               | (2)           | (3)           | (4)            | (5)            | (6)            |
| <b>Adjusted gross income floor on percentiles (constant dollars) [3]:</b> |           |                                   |               |               |                |                |                |
| 1986  | N/A       | [6]                               | 108,411       | 56,913        | 44,394         | 29,418         | 15,786         |
| 1987  | N/A       | [6]                               | 122,614       | 60,224        | 46,585         | 29,915         | 15,641         |
| 1988  | N/A       | [6]                               | 132,828       | 61,484        | 46,861         | 29,922         | 15,526         |
| 1989  | N/A       | [6]                               | 132,152       | 62,043        | 46,986         | 29,709         | 15,317         |
| 1990  | N/A       | [6]                               | 128,096       | 60,493        | 46,126         | 29,135         | 15,124         |
| 1991  | N/A       | [6]                               | 124,919       | 60,000        | 45,480         | 28,582         | 14,756         |
| 1992  | N/A       | [6]                               | 129,654       | 60,658        | 45,942         | 28,780         | 14,828         |
| 1993  | N/A       | [6]                               | 128,522       | 60,475        | 45,728         | 28,519         | 14,657         |
| 1994  | N/A       | [6]                               | 132,069       | 61,556        | 46,392         | 28,841         | 14,711         |
| 1995  | N/A       | [6]                               | 137,406       | 63,137        | 47,306         | 29,007         | 14,661         |
| 1996  | N/A       | [6]                               | 145,026       | 64,462        | 47,792         | 29,163         | 14,769         |
| 1997  | N/A       | [6]                               | 156,222       | 67,320        | 49,353         | 30,014         | 15,198         |
| 1998  | N/A       | [6]                               | 164,427       | 69,999        | 50,775         | 30,877         | 15,553         |
| 1999  | N/A       | [6]                               | 176,119       | 72,537        | 52,630         | 31,792         | 15,855         |
| 2000  | N/A       | [6]                               | 182,038       | 74,527        | 53,510         | 32,070         | 16,075         |
| 2001  | N/A       | 747,875                           | 165,394       | 72,221        | 52,374         | 31,669         | 16,108         |
| 2002  | N/A       | 662,409                           | 158,657       | 70,331        | 51,508         | 31,351         | 15,928         |
| 2003  | N/A       | 686,283                           | 160,595       | 70,696        | 51,571         | 31,165         | 15,771         |
| 2004  | N/A       | 819,979                           | 173,663       | 72,555        | 52,468         | 31,785         | 15,946         |
| 2005  | N/A       | 946,642                           | 186,716       | 74,390        | 53,206         | 31,781         | 15,812         |
| 2006  | N/A       | 1,014,231                         | 192,860       | 76,162        | 54,020         | 32,094         | 15,867         |
| 2007  | N/A       | 1,039,732                         | 197,827       | 77,203        | 54,519         | 32,095         | 15,861         |
| 2008  | N/A       | 837,708                           | 176,662       | 74,138        | 52,856         | 31,249         | 15,350         |
| <b>Adjusted gross income (millions of dollars):</b>                       |           |                                   |               |               |                |                |                |
| 1986  | 2,524,124 | [6]                               | 285,197       | 608,467       | 886,510        | 1,490,173      | 2,103,569      |
| 1987  | 2,813,728 | [6]                               | 346,635       | 722,221       | 1,038,221      | 1,709,389      | 2,373,869      |
| 1988  | 3,124,156 | [6]                               | 473,527       | 890,702       | 1,232,536      | 1,950,860      | 2,657,865      |
| 1989  | 3,298,858 | [6]                               | 468,079       | 918,421       | 1,286,539      | 2,054,478      | 2,805,235      |
| 1990  | 3,451,237 | [6]                               | 483,252       | 953,337       | 1,338,032      | 2,144,177      | 2,932,537      |
| 1991  | 3,516,142 | [6]                               | 456,603       | 943,350       | 1,343,202      | 2,174,765      | 2,984,003      |
| 1992  | 3,680,552 | [6]                               | 523,586       | 1,031,093     | 1,443,784      | 2,299,401      | 3,131,400      |
| 1993  | 3,775,578 | [6]                               | 520,586       | 1,048,252     | 1,474,463      | 2,357,953      | 3,212,299      |
| 1994  | 3,961,146 | [6]                               | 546,700       | 1,103,084     | 1,552,205      | 2,481,074      | 3,371,352      |
| 1995  | 4,244,607 | [6]                               | 619,610       | 1,222,723     | 1,704,513      | 2,689,820      | 3,627,542      |
| 1996  | 4,590,527 | [6]                               | 736,545       | 1,393,805     | 1,909,149      | 2,952,637      | 3,944,383      |
| 1997  | 5,023,457 | [6]                               | 872,826       | 1,597,107     | 2,151,401      | 3,267,600      | 4,327,992      |
| 1998  | 5,469,211 | [6]                               | 1,010,245     | 1,796,647     | 2,393,716      | 3,589,600      | 4,721,430      |
| 1999  | 5,909,329 | [6]                               | 1,152,820     | 2,011,763     | 2,652,835      | 3,927,308      | 5,126,164      |
| 2000  | 6,423,977 | [6]                               | 1,336,773     | 2,267,403     | 2,955,386      | 4,313,786      | 5,589,755      |
| 2001  | 6,241,036 | 505,752                           | 1,094,296     | 1,996,492     | 2,690,589      | 4,071,034      | 5,379,286      |
| 2002  | 6,113,778 | 431,644                           | 985,781       | 1,867,787     | 2,553,475      | 3,935,504      | 5,244,029      |
| 2003  | 6,287,586 | 476,041                           | 1,054,567     | 1,960,676     | 2,663,470      | 4,078,227      | 5,407,851      |
| 2004  | 6,875,123 | 628,522                           | 1,306,417     | 2,299,595     | 3,049,275      | 4,546,401      | 5,952,781      |
| 2005  | 7,507,958 | 799,403                           | 1,591,711     | 2,683,934     | 3,487,010      | 5,069,455      | 6,544,824      |
| 2006  | 8,122,040 | 911,054                           | 1,791,886     | 2,977,714     | 3,843,144      | 5,535,830      | 7,105,599      |
| 2007  | 8,798,500 | 1,049,358                         | 2,008,259     | 3,294,542     | 4,227,839      | 6,045,354      | 7,720,213      |
| 2008  | 8,426,625 | 839,371                           | 1,685,472     | 2,926,701     | 3,856,462      | 5,678,179      | 7,352,111      |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2008—Continued**

[All figures are estimates based on samples]

| Item, tax year                                     | Total     | Descending cumulative percentiles |               |               |                |                |                |
|--|-----------|-----------------------------------|---------------|---------------|----------------|----------------|----------------|
|  |           | Top 0.1 percent                   | Top 1 percent | Top 5 percent | Top 10 percent | Top 25 percent | Top 50 percent |
|  | (1)       | (2)                               | (2)           | (3)           | (4)            | (5)            | (6)            |
| <b>Total income tax (millions of dollars) [4]:</b> |           |                                   |               |               |                |                |                |
| 1986   | 366,979   | [6]                               | 94,491        | 156,240       | 200,703        | 278,976        | 343,289        |
| 1987   | 369,046   | [6]                               | 91,559        | 159,642       | 205,230        | 283,857        | 346,655        |
| 1988   | 412,761   | [6]                               | 113,841       | 188,303       | 236,411        | 321,297        | 389,145        |
| 1989   | 432,838   | [6]                               | 109,259       | 190,188       | 241,458        | 334,258        | 407,599        |
| 1990   | 447,061   | [6]                               | 112,338       | 195,088       | 247,514        | 344,340        | 421,075        |
| 1991   | 448,349   | [6]                               | 111,267       | 194,480       | 250,282        | 346,511        | 423,759        |
| 1992   | 476,163   | [6]                               | 131,156       | 218,479       | 276,213        | 373,700        | 452,070        |
| 1993   | 502,720   | [6]                               | 145,836       | 238,083       | 297,808        | 398,516        | 478,563        |
| 1994   | 534,754   | [6]                               | 154,337       | 254,106       | 317,902        | 425,402        | 509,256        |
| 1995   | 588,331   | [6]                               | 178,035       | 287,741       | 357,402        | 472,808        | 561,225        |
| 1996   | 658,124   | [6]                               | 212,626       | 335,433       | 411,404        | 535,164        | 629,684        |
| 1997   | 727,303   | [6]                               | 241,239       | 377,241       | 459,639        | 594,007        | 696,161        |
| 1998   | 788,452   | [6]                               | 274,009       | 424,506       | 512,836        | 651,964        | 755,240        |
| 1999   | 877,292   | [6]                               | 317,419       | 486,464       | 583,002        | 732,890        | 842,168        |
| 2000   | 980,521   | [6]                               | 366,929       | 553,670       | 660,150        | 823,706        | 942,179        |
| 2001   | 887,882   | 142,616                           | 300,898       | 472,823       | 576,163        | 736,053        | 852,642        |
| 2002   | 796,862   | 122,975                           | 268,608       | 428,680       | 523,812        | 668,558        | 768,963        |
| 2003   | 747,939   | 117,275                           | 256,340       | 406,597       | 492,452        | 627,380        | 722,027        |
| 2004   | 831,890   | 145,118                           | 306,902       | 475,224       | 567,273        | 705,915        | 804,471        |
| 2005   | 934,703   | 180,008                           | 368,132       | 557,759       | 657,085        | 803,772        | 906,028        |
| 2006   | 1,023,739 | 200,281                           | 408,369       | 615,680       | 724,740        | 883,153        | 993,176        |
| 2007   | 1,115,504 | 225,239                           | 450,926       | 676,293       | 794,432        | 965,875        | 1,083,243      |
| 2008   | 1,031,512 | 190,498                           | 392,149       | 605,718       | 721,421        | 890,614        | 1,003,639      |
| <b>Average tax rate (percentage) [5]:</b>          |           |                                   |               |               |                |                |                |
| 1986   | 14.54     | [6]                               | 33.13         | 25.68         | 22.64          | 18.72          | 16.32          |
| 1987   | 13.12     | [6]                               | 26.41         | 22.10         | 19.77          | 16.61          | 14.60          |
| 1988   | 13.21     | [6]                               | 24.04         | 21.14         | 19.18          | 16.47          | 14.64          |
| 1989   | 13.12     | [6]                               | 23.34         | 20.71         | 18.77          | 16.27          | 14.53          |
| 1990   | 12.95     | [6]                               | 23.25         | 20.46         | 18.50          | 16.06          | 14.36          |
| 1991   | 12.75     | [6]                               | 24.37         | 20.62         | 18.63          | 15.93          | 14.20          |
| 1992   | 12.94     | [6]                               | 25.05         | 21.19         | 19.13          | 16.25          | 14.44          |
| 1993   | 13.32     | [6]                               | 28.01         | 22.71         | 20.20          | 16.90          | 14.90          |
| 1994   | 13.50     | [6]                               | 28.23         | 23.04         | 20.48          | 17.15          | 15.11          |
| 1995   | 13.86     | [6]                               | 28.73         | 23.53         | 20.97          | 17.58          | 15.47          |
| 1996   | 14.34     | [6]                               | 28.87         | 24.07         | 21.55          | 18.12          | 15.96          |
| 1997   | 14.48     | [6]                               | 27.64         | 23.62         | 21.36          | 18.18          | 16.09          |
| 1998   | 14.42     | [6]                               | 27.12         | 23.63         | 21.42          | 18.16          | 16.00          |
| 1999   | 14.85     | [6]                               | 27.53         | 24.18         | 21.98          | 18.66          | 16.43          |
| 2000   | 15.26     | [6]                               | 27.45         | 24.42         | 22.34          | 19.09          | 16.86          |
| 2001   | 14.23     | 28.20                             | 27.50         | 23.68         | 21.41          | 18.08          | 15.85          |
| 2002   | 13.03     | 28.49                             | 27.25         | 22.95         | 20.51          | 16.99          | 14.66          |
| 2003   | 11.90     | 24.64                             | 24.31         | 20.74         | 18.49          | 15.38          | 13.35          |
| 2004   | 12.10     | 23.09                             | 23.49         | 20.67         | 18.60          | 15.53          | 13.51          |
| 2005   | 12.45     | 22.52                             | 23.13         | 20.78         | 18.84          | 15.86          | 13.84          |
| 2006   | 12.60     | 21.98                             | 22.79         | 20.68         | 18.86          | 15.95          | 13.98          |
| 2007   | 12.68     | 21.46                             | 22.45         | 20.53         | 18.79          | 15.98          | 14.03          |
| 2008   | 12.24     | 22.70                             | 23.27         | 20.70         | 18.71          | 15.68          | 13.65          |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 5. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, AGI Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2008—Continued**

[All figures are estimates based on samples]

| Item, tax year                                   | Total  | Descending cumulative percentiles |               |               |                |                |                |
|--|--------|-----------------------------------|---------------|---------------|----------------|----------------|----------------|
|  |        | Top 0.1 percent                   | Top 1 percent | Top 5 percent | Top 10 percent | Top 25 percent | Top 50 percent |
|  | (1)    | (2)                               | (2)           | (3)           | (4)            | (5)            | (6)            |
| <b>Adjusted gross income share (percentage):</b> |        |                                   |               |               |                |                |                |
| 1986   | 100.00 | [6]                               | 11.30         | 24.11         | 35.12          | 59.04          | 83.34          |
| 1987   | 100.00 | [6]                               | 12.32         | 25.67         | 36.90          | 60.75          | 84.37          |
| 1988   | 100.00 | [6]                               | 15.16         | 28.51         | 39.45          | 62.44          | 85.07          |
| 1989   | 100.00 | [6]                               | 14.19         | 27.84         | 39.00          | 62.28          | 85.04          |
| 1990   | 100.00 | [6]                               | 14.00         | 27.62         | 38.77          | 62.13          | 84.97          |
| 1991   | 100.00 | [6]                               | 12.99         | 26.83         | 38.20          | 61.85          | 84.87          |
| 1992   | 100.00 | [6]                               | 14.23         | 28.01         | 39.23          | 62.47          | 85.08          |
| 1993   | 100.00 | [6]                               | 13.79         | 27.76         | 39.05          | 62.45          | 85.08          |
| 1994   | 100.00 | [6]                               | 13.80         | 27.85         | 39.19          | 62.64          | 85.11          |
| 1995   | 100.00 | [6]                               | 14.60         | 28.81         | 40.16          | 63.37          | 85.46          |
| 1996   | 100.00 | [6]                               | 16.04         | 30.36         | 41.59          | 64.32          | 85.92          |
| 1997   | 100.00 | [6]                               | 17.38         | 31.79         | 42.83          | 65.05          | 86.16          |
| 1998   | 100.00 | [6]                               | 18.47         | 32.85         | 43.77          | 65.63          | 86.33          |
| 1999   | 100.00 | [6]                               | 19.51         | 34.04         | 44.89          | 66.46          | 86.75          |
| 2000   | 100.00 | [6]                               | 20.81         | 35.30         | 46.01          | 67.15          | 87.01          |
| 2001   | 100.00 | 8.10                              | 17.53         | 31.99         | 43.11          | 65.23          | 86.19          |
| 2002   | 100.00 | 7.06                              | 16.12         | 30.55         | 41.77          | 64.37          | 85.77          |
| 2003   | 100.00 | 7.57                              | 16.77         | 31.18         | 42.36          | 64.86          | 86.01          |
| 2004   | 100.00 | 9.14                              | 19.00         | 33.45         | 44.35          | 66.13          | 86.58          |
| 2005   | 100.00 | 10.65                             | 21.20         | 35.75         | 46.44          | 67.52          | 87.17          |
| 2006   | 100.00 | 11.22                             | 22.06         | 36.66         | 47.32          | 68.16          | 87.49          |
| 2007   | 100.00 | 11.93                             | 22.83         | 37.44         | 48.05          | 68.71          | 87.74          |
| 2008   | 100.00 | 9.96                              | 20.00         | 34.73         | 45.77          | 67.38          | 87.25          |
| <b>Total income tax share (percentage):</b>      |        |                                   |               |               |                |                |                |
| 1986   | 100.00 | [6]                               | 25.75         | 42.57         | 54.69          | 76.02          | 93.54          |
| 1987   | 100.00 | [6]                               | 24.81         | 43.26         | 55.61          | 76.92          | 93.93          |
| 1988   | 100.00 | [6]                               | 27.58         | 45.62         | 57.28          | 77.84          | 94.28          |
| 1989   | 100.00 | [6]                               | 25.24         | 43.94         | 55.78          | 77.22          | 94.17          |
| 1990   | 100.00 | [6]                               | 25.13         | 43.64         | 55.36          | 77.02          | 94.19          |
| 1991   | 100.00 | [6]                               | 24.82         | 43.38         | 55.82          | 77.29          | 94.52          |
| 1992   | 100.00 | [6]                               | 27.54         | 45.88         | 58.01          | 78.48          | 94.94          |
| 1993   | 100.00 | [6]                               | 29.01         | 47.36         | 59.24          | 79.27          | 95.19          |
| 1994   | 100.00 | [6]                               | 28.86         | 47.52         | 59.45          | 79.55          | 95.23          |
| 1995   | 100.00 | [6]                               | 30.26         | 48.91         | 60.75          | 80.36          | 95.39          |
| 1996   | 100.00 | [6]                               | 32.31         | 50.97         | 62.51          | 81.32          | 95.68          |
| 1997   | 100.00 | [6]                               | 33.17         | 51.87         | 63.20          | 81.67          | 95.72          |
| 1998   | 100.00 | [6]                               | 34.75         | 53.84         | 65.04          | 82.69          | 95.79          |
| 1999   | 100.00 | [6]                               | 36.18         | 55.45         | 66.45          | 83.54          | 96.00          |
| 2000   | 100.00 | [6]                               | 37.42         | 56.47         | 67.33          | 84.01          | 96.09          |
| 2001   | 100.00 | 16.06                             | 33.89         | 53.25         | 64.89          | 82.90          | 96.03          |
| 2002   | 100.00 | 15.43                             | 33.71         | 53.80         | 65.73          | 83.90          | 96.50          |
| 2003   | 100.00 | 15.68                             | 34.27         | 54.36         | 65.84          | 83.88          | 96.54          |
| 2004   | 100.00 | 17.44                             | 36.89         | 57.13         | 68.19          | 84.86          | 96.70          |
| 2005   | 100.00 | 19.26                             | 39.38         | 59.67         | 70.30          | 85.99          | 96.93          |
| 2006   | 100.00 | 19.56                             | 39.89         | 60.14         | 70.79          | 86.27          | 97.01          |
| 2007   | 100.00 | 20.19                             | 40.42         | 60.63         | 71.22          | 86.59          | 97.11          |
| 2008   | 100.00 | 18.47                             | 38.02         | 58.72         | 69.94          | 86.34          | 97.30          |

N/A—Not applicable.

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 1. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2008, there were 3,495 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] For Table 1, constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). For 2008 the CPI-U = 215.3.

[4] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also Footnote 1.

[5] The average tax rate was computed by dividing total income tax (see footnote 4) by (positive) adjusted gross income.

[6] Not Calculated.

# Individual Income Tax Rates and Shares, 2008

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**Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2008**

[All figures are estimates based on samples]

| Item, tax year                                      | Total           | Ascending cumulative percentiles |                   |                   |                   |                   |
|---|-----------------|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|   |                 | Bottom 50 percent                | Bottom 75 percent | Bottom 90 percent | Bottom 95 percent | Bottom 99 percent |
|   | (1)             | (2)                              | (3)               | (4)               | (5)               | (6)               |
| <b>Number of returns [1]:</b>                       |                 |                                  |                   |                   |                   |                   |
| 1986  | 102,087,623     | 51,043,811                       | 76,565,717        | 91,878,861        | 96,983,242        | 101,066,747       |
| 1987  | 106,154,761     | 53,077,380                       | 79,616,071        | 95,539,285        | 100,847,023       | 105,093,213       |
| 1988  | 108,872,858     | 54,436,429                       | 81,654,643        | 97,985,572        | 103,429,215       | 107,784,129       |
| 1989  | 111,312,721     | 55,656,361                       | 83,484,542        | 100,181,451       | 105,747,087       | 110,199,596       |
| 1990  | 112,812,262     | 56,406,132                       | 84,609,198        | 101,531,038       | 107,171,651       | 111,684,141       |
| 1991  | 113,804,104     | 56,902,052                       | 85,353,078        | 102,423,694       | 108,113,899       | 112,666,063       |
| 1992  | 112,652,759     | 56,326,380                       | 84,489,560        | 101,387,483       | 107,020,121       | 111,526,231       |
| 1993  | 113,681,387     | 56,840,693                       | 85,261,040        | 102,313,248       | 107,997,318       | 112,544,573       |
| 1994  | 114,989,920     | 57,494,960                       | 86,242,440        | 103,490,928       | 109,240,424       | 113,840,021       |
| 1995  | 117,274,186     | 58,637,093                       | 87,955,640        | 105,546,767       | 111,410,477       | 116,101,444       |
| 1996  | 119,441,767     | 59,720,883                       | 89,581,325        | 107,497,590       | 113,469,679       | 118,247,349       |
| 1997  | 121,503,284     | 60,751,642                       | 91,127,463        | 109,352,956       | 115,428,120       | 120,288,251       |
| 1998  | 123,775,831     | 61,887,916                       | 92,831,873        | 111,398,248       | 117,587,039       | 122,538,073       |
| 1999  | 126,008,974     | 63,004,487                       | 94,506,731        | 113,408,077       | 119,708,525       | 124,748,884       |
| 2000  | 128,227,143     | 64,113,572                       | 96,170,357        | 115,404,429       | 121,815,786       | 126,944,872       |
| 2001  | 128,817,051     | 64,408,526                       | 96,612,788        | 115,935,346       | 122,376,198       | 127,528,880       |
| 2002  | 128,323,986     | 64,161,993                       | 96,242,990        | 115,491,587       | 121,907,787       | 127,040,746       |
| 2003  | 128,609,786     | 64,304,893                       | 96,457,340        | 115,748,807       | 122,179,297       | 127,323,688       |
| 2004  | 130,371,156     | 65,185,578                       | 97,778,367        | 117,334,040       | 123,852,598       | 129,067,444       |
| 2005  | 132,611,637     | 66,305,819                       | 99,458,728        | 119,350,473       | 125,981,055       | 131,285,521       |
| 2006  | 135,719,160     | 67,859,580                       | 101,789,370       | 122,147,244       | 128,933,202       | 134,361,968       |
| 2007  | [2] 141,070,971 | 70,535,486                       | 105,803,228       | 126,963,874       | 134,017,422       | 139,660,261       |
| 2008  | 139,960,580     | 69,980,290                       | 104,970,435       | 125,964,522       | 132,962,551       | 138,560,974       |
| <b>Adjusted gross income (millions of dollars):</b> |                 |                                  |                   |                   |                   |                   |
| 1986  | 2,524,124       | 420,555                          | 1,033,951         | 1,637,614         | 1,915,657         | 2,238,927         |
| 1987  | 2,813,728       | 439,859                          | 1,104,338         | 1,775,506         | 2,091,507         | 2,467,093         |
| 1988  | 3,124,156       | 466,291                          | 1,173,296         | 1,891,620         | 2,233,454         | 2,650,629         |
| 1989  | 3,298,858       | 493,623                          | 1,244,380         | 2,012,319         | 2,380,437         | 2,830,779         |
| 1990  | 3,451,237       | 518,700                          | 1,307,060         | 2,113,205         | 2,497,900         | 2,967,985         |
| 1991  | 3,516,142       | 532,138                          | 1,341,377         | 2,172,939         | 2,572,792         | 3,059,539         |
| 1992  | 3,680,552       | 549,152                          | 1,381,151         | 2,236,768         | 2,649,459         | 3,156,966         |
| 1993  | 3,775,578       | 563,279                          | 1,417,625         | 2,301,115         | 2,727,326         | 3,254,992         |
| 1994  | 3,961,146       | 589,795                          | 1,480,073         | 2,408,941         | 2,858,063         | 3,414,447         |
| 1995  | 4,244,607       | 617,065                          | 1,554,788         | 2,540,094         | 3,021,884         | 3,624,997         |
| 1996  | 4,590,527       | 646,144                          | 1,637,891         | 2,681,378         | 3,196,723         | 3,853,983         |
| 1997  | 5,023,457       | 695,465                          | 1,755,857         | 2,872,056         | 3,426,350         | 4,150,631         |
| 1998  | 5,469,211       | 747,781                          | 1,879,611         | 3,075,495         | 3,672,564         | 4,458,967         |
| 1999  | 5,909,329       | 783,164                          | 1,982,021         | 3,256,494         | 3,897,565         | 4,756,509         |
| 2000  | 6,423,977       | 834,222                          | 2,110,190         | 3,468,590         | 4,156,573         | 5,087,204         |
| 2001  | 6,241,036       | 861,750                          | 2,170,001         | 3,550,447         | 4,244,543         | 5,146,740         |
| 2002  | 6,113,778       | 869,750                          | 2,178,274         | 3,560,303         | 4,245,991         | 5,127,997         |
| 2003  | 6,287,586       | 879,735                          | 2,209,359         | 3,624,117         | 4,326,911         | 5,233,019         |
| 2004  | 6,875,123       | 922,342                          | 2,328,722         | 3,825,848         | 4,575,529         | 5,568,706         |
| 2005  | 7,507,958       | 963,135                          | 2,438,504         | 4,020,948         | 4,824,024         | 5,916,248         |
| 2006  | 8,122,040       | 1,016,441                        | 2,586,209         | 4,278,895         | 5,144,325         | 6,330,153         |
| 2007  | 8,798,500       | 1,078,287                        | 2,753,146         | 4,570,661         | 5,503,958         | 6,790,241         |
| 2008  | 8,426,625       | 1,074,514                        | 2,748,447         | 4,570,164         | 5,499,924         | 6,741,153         |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2008—Continued**

[All figures are estimates based on samples]

| Item, tax year                                     | Total     | Ascending cumulative percentiles |                   |                   |                   |                   |
|--|-----------|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|  |           | Bottom 50 percent                | Bottom 75 percent | Bottom 90 percent | Bottom 95 percent | Bottom 99 percent |
|  | (1)       | (2)                              | (3)               | (4)               | (5)               | (6)               |
| <b>Total income tax (millions of dollars) [3]:</b> |           |                                  |                   |                   |                   |                   |
| 1986   | 366,979   | 23,690                           | 88,002            | 166,276           | 210,739           | 272,488           |
| 1987   | 369,046   | 22,391                           | 85,189            | 163,816           | 209,404           | 277,488           |
| 1988   | 412,761   | 23,616                           | 91,464            | 176,350           | 224,459           | 298,920           |
| 1989   | 432,838   | 25,239                           | 98,580            | 191,380           | 242,650           | 323,579           |
| 1990   | 447,061   | 25,986                           | 102,721           | 199,547           | 251,973           | 334,723           |
| 1991   | 448,349   | 24,554                           | 101,837           | 198,067           | 253,869           | 337,081           |
| 1992   | 476,163   | 24,093                           | 102,463           | 199,950           | 257,683           | 345,007           |
| 1993   | 502,720   | 24,157                           | 104,203           | 204,912           | 264,637           | 356,884           |
| 1994   | 534,754   | 25,499                           | 109,353           | 216,852           | 280,648           | 380,418           |
| 1995   | 588,331   | 27,106                           | 115,523           | 230,929           | 300,590           | 410,296           |
| 1996   | 658,124   | 28,440                           | 122,960           | 246,720           | 322,691           | 445,498           |
| 1997   | 727,303   | 31,134                           | 133,296           | 267,664           | 350,062           | 486,064           |
| 1998   | 788,452   | 33,212                           | 136,488           | 275,615           | 363,946           | 514,442           |
| 1999   | 877,292   | 35,126                           | 144,402           | 294,290           | 390,828           | 559,874           |
| 2000   | 980,521   | 38,343                           | 156,816           | 320,371           | 426,851           | 613,592           |
| 2001   | 887,882   | 35,239                           | 151,826           | 311,719           | 415,059           | 586,984           |
| 2002   | 796,862   | 27,899                           | 128,304           | 273,050           | 368,182           | 528,254           |
| 2003   | 747,932   | 25,912                           | 120,564           | 255,486           | 341,341           | 491,597           |
| 2004   | 831,890   | 27,418                           | 125,973           | 264,617           | 356,666           | 524,988           |
| 2005   | 934,703   | 28,673                           | 130,930           | 277,618           | 376,942           | 566,571           |
| 2006   | 1,023,739 | 30,561                           | 140,586           | 298,999           | 408,058           | 615,370           |
| 2007   | 1,115,504 | 32,261                           | 149,630           | 321,073           | 439,212           | 664,579           |
| 2008   | 1,031,512 | 27,873                           | 140,898           | 310,091           | 425,793           | 639,363           |
| <b>Average tax rate (percentage) [4]:</b>          |           |                                  |                   |                   |                   |                   |
| 1986   | 14.54     | 5.63                             | 8.51              | 10.15             | 11.00             | 12.17             |
| 1987   | 13.12     | 5.09                             | 7.71              | 9.23              | 10.01             | 11.25             |
| 1988   | 13.21     | 5.06                             | 7.80              | 9.32              | 10.05             | 11.28             |
| 1989   | 13.12     | 5.11                             | 7.92              | 9.51              | 10.19             | 11.43             |
| 1990   | 12.95     | 5.01                             | 7.86              | 9.44              | 10.09             | 11.28             |
| 1991   | 12.75     | 4.61                             | 7.59              | 9.12              | 9.87              | 11.04             |
| 1992   | 12.94     | 4.39                             | 7.42              | 8.94              | 9.73              | 10.93             |
| 1993   | 13.32     | 4.29                             | 7.35              | 8.90              | 9.70              | 10.96             |
| 1994   | 13.50     | 4.32                             | 7.39              | 9.00              | 9.82              | 11.14             |
| 1995   | 13.86     | 4.39                             | 7.43              | 9.09              | 9.95              | 11.32             |
| 1996   | 14.34     | 4.40                             | 7.51              | 9.20              | 10.09             | 11.56             |
| 1997   | 14.48     | 4.48                             | 7.59              | 9.32              | 10.22             | 11.71             |
| 1998   | 14.42     | 4.44                             | 7.26              | 8.96              | 9.91              | 11.54             |
| 1999   | 14.85     | 4.49                             | 7.29              | 9.04              | 10.03             | 11.77             |
| 2000   | 15.26     | 4.60                             | 7.43              | 9.24              | 10.27             | 12.06             |
| 2001   | 14.23     | 4.09                             | 7.00              | 8.78              | 9.78              | 11.41             |
| 2002   | 13.03     | 3.21                             | 5.89              | 7.67              | 8.67              | 10.30             |
| 2003   | 11.90     | 2.95                             | 5.46              | 7.05              | 7.89              | 9.39              |
| 2004   | 12.10     | 2.97                             | 5.41              | 6.92              | 7.80              | 9.43              |
| 2005   | 12.45     | 2.98                             | 5.37              | 6.90              | 7.81              | 9.58              |
| 2006   | 12.60     | 3.01                             | 5.44              | 6.99              | 7.93              | 9.72              |
| 2007   | 12.68     | 2.99                             | 5.43              | 7.02              | 7.98              | 9.79              |
| 2008   | 12.24     | 2.59                             | 5.13              | 6.79              | 7.74              | 9.48              |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2008—Continued**

[All figures are estimates based on samples]

| Item, tax year                                   | Total  | Ascending cumulative percentiles |                   |                   |                   |                   |
|--|--------|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|  |        | Bottom 50 percent                | Bottom 75 percent | Bottom 90 percent | Bottom 95 percent | Bottom 99 percent |
|  | (1)    | (2)                              | (3)               | (4)               | (5)               | (6)               |
| <b>Adjusted gross income share (percentage):</b> |        |                                  |                   |                   |                   |                   |
| 1986   | 100.00 | 16.66                            | 40.96             | 64.88             | 75.89             | 88.70             |
| 1987   | 100.00 | 15.63                            | 39.25             | 63.10             | 74.33             | 87.68             |
| 1988   | 100.00 | 14.93                            | 37.56             | 60.55             | 71.49             | 84.84             |
| 1989   | 100.00 | 14.96                            | 37.72             | 61.00             | 72.16             | 85.81             |
| 1990   | 100.00 | 15.03                            | 37.87             | 61.23             | 72.38             | 86.00             |
| 1991   | 100.00 | 15.13                            | 38.15             | 61.80             | 73.17             | 87.01             |
| 1992   | 100.00 | 14.92                            | 37.53             | 60.77             | 71.99             | 85.77             |
| 1993   | 100.00 | 14.92                            | 37.55             | 60.95             | 72.24             | 86.21             |
| 1994   | 100.00 | 14.89                            | 37.36             | 60.81             | 72.15             | 86.20             |
| 1995   | 100.00 | 14.54                            | 36.63             | 59.84             | 71.19             | 85.40             |
| 1996   | 100.00 | 14.08                            | 35.68             | 58.41             | 69.64             | 83.96             |
| 1997   | 100.00 | 13.84                            | 34.95             | 57.17             | 68.21             | 82.63             |
| 1998   | 100.00 | 13.67                            | 34.37             | 56.23             | 67.15             | 81.53             |
| 1999   | 100.00 | 13.25                            | 33.54             | 55.11             | 65.96             | 80.49             |
| 2000   | 100.00 | 12.99                            | 32.85             | 53.99             | 64.70             | 79.19             |
| 2001   | 100.00 | 13.81                            | 34.77             | 56.89             | 68.01             | 82.47             |
| 2002   | 100.00 | 14.23                            | 35.63             | 58.23             | 69.45             | 83.88             |
| 2003   | 100.00 | 13.99                            | 35.14             | 57.64             | 68.82             | 83.23             |
| 2004   | 100.00 | 13.42                            | 33.87             | 55.65             | 66.55             | 81.00             |
| 2005   | 100.00 | 12.83                            | 32.48             | 53.56             | 64.25             | 78.80             |
| 2006   | 100.00 | 12.51                            | 31.84             | 52.68             | 63.34             | 77.94             |
| 2007   | 100.00 | 12.26                            | 31.29             | 51.95             | 62.56             | 77.18             |
| 2008   | 100.00 | 12.75                            | 32.62             | 54.23             | 65.27             | 80.00             |
| <b>Total income tax share (percentage):</b>      |        |                                  |                   |                   |                   |                   |
| 1986   | 100.00 | 6.46                             | 23.98             | 45.31             | 57.43             | 74.25             |
| 1987   | 100.00 | 6.07                             | 23.08             | 44.39             | 56.74             | 75.19             |
| 1988   | 100.00 | 5.72                             | 22.16             | 42.72             | 54.38             | 72.42             |
| 1989   | 100.00 | 5.83                             | 22.78             | 44.22             | 56.06             | 74.76             |
| 1990   | 100.00 | 5.81                             | 22.98             | 44.64             | 56.36             | 74.87             |
| 1991   | 100.00 | 5.48                             | 22.71             | 44.18             | 56.62             | 75.18             |
| 1992   | 100.00 | 5.06                             | 21.52             | 41.99             | 54.12             | 72.46             |
| 1993   | 100.00 | 4.81                             | 20.73             | 40.76             | 52.64             | 70.99             |
| 1994   | 100.00 | 4.77                             | 20.45             | 40.55             | 52.48             | 71.14             |
| 1995   | 100.00 | 4.61                             | 19.64             | 39.25             | 51.09             | 69.74             |
| 1996   | 100.00 | 4.32                             | 18.68             | 37.49             | 49.03             | 67.69             |
| 1997   | 100.00 | 4.28                             | 18.33             | 36.80             | 48.13             | 66.83             |
| 1998   | 100.00 | 4.21                             | 17.31             | 34.96             | 46.16             | 65.25             |
| 1999   | 100.00 | 4.00                             | 16.46             | 33.55             | 44.55             | 63.82             |
| 2000   | 100.00 | 3.91                             | 15.99             | 32.67             | 43.53             | 62.58             |
| 2001   | 100.00 | 3.97                             | 17.10             | 35.11             | 46.75             | 66.11             |
| 2002   | 100.00 | 3.50                             | 16.10             | 34.27             | 46.20             | 66.29             |
| 2003   | 100.00 | 3.46                             | 16.12             | 34.16             | 45.64             | 65.73             |
| 2004   | 100.00 | 3.30                             | 15.14             | 31.81             | 42.87             | 63.11             |
| 2005   | 100.00 | 3.07                             | 14.01             | 29.70             | 40.33             | 60.62             |
| 2006   | 100.00 | 2.99                             | 13.73             | 29.21             | 39.86             | 60.11             |
| 2007   | 100.00 | 2.89                             | 13.41             | 28.78             | 39.37             | 59.58             |
| 2008   | 100.00 | 2.70                             | 13.66             | 30.06             | 41.28             | 61.98             |

N/A—Not applicable.

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 1. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2008, there were 3,495 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[4] The average tax rate was computed by dividing total income tax (see footnote 4) by (positive) adjusted gross income.

# Individual Income Tax Rates and Shares, 2008

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**Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008**

[All figures are estimates based on samples]

| Item, tax year  | Total           | Descending cumulative percentiles |               |                |                |                |
|---|-----------------|-----------------------------------|---------------|----------------|----------------|----------------|
|   |                 | Top 1 percent                     | Top 5 percent | Top 10 percent | Top 25 percent | Top 50 percent |
|   | (1)             | (2)                               | (3)           | (4)            | (5)            | (6)            |
| <b>Number of returns [1]:</b>                         |                 |                                   |               |                |                |                |
| 1986  | 101,988,805     | 1,019,888                         | 5,099,440     | 10,198,881     | 25,497,201     | 50,994,402     |
| 1987  | 106,191,624     | 1,061,916                         | 5,309,581     | 10,619,162     | 26,547,906     | 53,095,812     |
| 1988  | 108,879,154     | 1,088,792                         | 5,443,958     | 10,887,915     | 27,219,788     | 54,439,577     |
| 1989  | 111,328,835     | 1,113,288                         | 5,566,442     | 11,132,884     | 27,832,209     | 55,664,418     |
| 1990  | 112,717,959     | 1,127,180                         | 5,635,898     | 11,271,796     | 28,179,490     | 56,358,980     |
| 1991  | 113,823,123     | 1,138,231                         | 5,691,156     | 11,382,312     | 28,455,781     | 56,911,562     |
| 1992  | 112,687,747     | 1,126,877                         | 5,634,387     | 11,268,775     | 28,171,937     | 56,343,874     |
| 1993  | 113,721,706     | 1,137,217                         | 5,686,085     | 11,372,171     | 28,430,426     | 56,860,853     |
| 1994  | 115,061,112     | 1,150,611                         | 5,753,056     | 11,506,111     | 28,765,278     | 57,530,556     |
| 1995  | 117,333,779     | 1,173,338                         | 5,866,689     | 11,733,378     | 29,333,445     | 58,666,889     |
| 1996  | 119,487,813     | 1,194,878                         | 5,974,391     | 11,948,781     | 29,871,953     | 59,743,906     |
| 1997  | 121,555,156     | 1,215,552                         | 6,077,758     | 12,155,516     | 30,388,789     | 60,777,578     |
| 1998  | 123,852,016     | 1,238,520                         | 6,192,601     | 12,385,202     | 30,963,004     | 61,926,008     |
| 1999  | 126,107,596     | 1,261,076                         | 6,305,380     | 12,610,760     | 31,526,899     | 63,053,798     |
| 2000  | 128,340,271     | 1,283,403                         | 6,417,014     | 12,834,027     | 32,085,068     | 64,170,135     |
| 2001  | 128,863,007     | 1,288,630                         | 6,443,150     | 12,886,301     | 32,215,752     | 64,431,504     |
| 2002  | 128,415,184     | 1,284,152                         | 6,420,759     | 12,841,518     | 32,103,796     | 64,207,592     |
| 2003  | 128,757,145     | 1,287,571                         | 6,437,857     | 12,875,715     | 32,189,286     | 64,378,573     |
| 2004  | 130,508,966     | 1,305,090                         | 6,525,448     | 13,050,897     | 32,627,242     | 65,254,483     |
| 2005  | 132,730,734     | 1,327,307                         | 6,636,537     | 13,273,073     | 33,182,684     | 66,365,367     |
| 2006  | 135,854,749     | 1,358,547                         | 6,792,737     | 13,585,475     | 33,963,687     | 67,927,375     |
| 2007  | [2] 141,252,080 | 1,412,521                         | 7,062,604     | 14,125,208     | 35,313,020     | 70,626,040     |
| 2008  | 140,118,702     | 1,401,187                         | 7,005,935     | 14,011,870     | 35,029,676     | 70,059,351     |
| <b>Income floor on percentiles (current dollars):</b> |                 |                                   |               |                |                |                |
| 1986  | N/A             | 147,863                           | 68,362        | 52,035         | 33,623         | 17,909         |
| 1987  | N/A             | 145,624                           | 69,222        | 53,094         | 34,165         | 17,959         |
| 1988  | N/A             | 161,774                           | 73,451        | 55,532         | 35,432         | 18,534         |
| 1989  | N/A             | 169,603                           | 77,542        | 58,429         | 36,783         | 19,152         |
| 1990  | N/A             | 174,813                           | 80,400        | 60,623         | 38,026         | 19,947         |
| 1991  | N/A             | 180,268                           | 83,300        | 62,413         | 38,913         | 20,302         |
| 1992  | N/A             | 197,031                           | 87,370        | 65,283         | 40,423         | 21,041         |
| 1993  | N/A             | 199,698                           | 88,992        | 66,685         | 41,013         | 21,390         |
| 1994  | N/A             | 210,742                           | 93,186        | 69,118         | 42,480         | 22,000         |
| 1995  | N/A             | 224,523                           | 98,420        | 72,210         | 43,860         | 22,575         |
| 1996  | N/A             | 246,268                           | 103,489       | 75,574         | 45,508         | 23,378         |
| 1997  | N/A             | 268,889                           | 110,949       | 79,598         | 47,738         | 24,551         |
| 1998  | N/A             | 301,513                           | 120,262       | 84,904         | 50,232         | 25,612         |
| 1999  | N/A             | 332,253                           | 126,643       | 89,172         | 52,399         | 26,487         |
| 2000  | N/A             | 353,945                           | 134,128       | 93,715         | 54,592         | 27,647         |
| 2001  | N/A             | 323,861                           | 131,728       | 93,633         | 55,203         | 28,404         |
| 2002  | N/A             | 315,937                           | 132,253       | 93,833         | 55,695         | 28,541         |
| 2003  | N/A             | 327,160                           | 134,818       | 96,021         | 56,573         | 28,896         |
| 2004  | N/A             | 363,905                           | 142,975       | 100,957        | 59,112         | 29,899         |
| 2005  | N/A             | 402,354                           | 152,048       | 105,958        | 61,055         | 30,588         |
| 2006  | N/A             | 437,036                           | 162,043       | 111,560        | 63,694         | 31,693         |
| 2007  | N/A             | 458,846                           | 168,478       | 115,564        | 65,340         | 32,400         |
| 2008  | N/A             | 429,502                           | 166,540       | 116,010        | 65,824         | 32,545         |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008—Continued**

[All figures are estimates based on samples]

| Item, tax year   | Total     | Descending cumulative percentiles |               |                |                |                |
|--|-----------|-----------------------------------|---------------|----------------|----------------|----------------|
|  |           | Top 1 percent                     | Top 5 percent | Top 10 percent | Top 25 percent | Top 50 percent |
|  | (1)       | (2)                               | (3)           | (4)            | (5)            | (6)            |
| <b>Income floor on percentiles (constant dollars): [3]</b> |           |                                   |               |                |                |                |
| 1986   | N/A       | 134,912                           | 62,374        | 47,477         | 30,678         | 16,340         |
| 1987   | N/A       | 128,190                           | 60,935        | 46,738         | 30,075         | 15,809         |
| 1988   | N/A       | 136,749                           | 62,089        | 46,942         | 29,951         | 15,667         |
| 1989   | N/A       | 136,777                           | 62,534        | 47,120         | 29,664         | 15,445         |
| 1990   | N/A       | 133,751                           | 61,515        | 46,383         | 29,094         | 15,262         |
| 1991   | N/A       | 132,355                           | 61,160        | 45,825         | 28,571         | 14,906         |
| 1992   | N/A       | 140,436                           | 62,274        | 46,531         | 28,812         | 14,997         |
| 1993   | N/A       | 138,199                           | 61,586        | 46,149         | 28,383         | 14,803         |
| 1994   | N/A       | 142,201                           | 62,879        | 46,638         | 28,664         | 14,845         |
| 1995   | N/A       | 147,325                           | 64,580        | 47,382         | 28,780         | 14,813         |
| 1996   | N/A       | 156,959                           | 65,959        | 48,167         | 29,004         | 14,900         |
| 1997   | N/A       | 167,532                           | 69,127        | 49,594         | 29,743         | 15,297         |
| 1998   | N/A       | 183,962                           | 73,375        | 51,802         | 30,648         | 15,627         |
| 1999   | N/A       | 199,432                           | 76,016        | 53,525         | 31,452         | 15,899         |
| 2000   | N/A       | 205,543                           | 77,891        | 54,422         | 31,703         | 16,055         |
| 2001   | N/A       | 182,869                           | 74,381        | 52,870         | 31,171         | 16,038         |
| 2002   | N/A       | 175,618                           | 73,515        | 52,158         | 30,959         | 15,865         |
| 2003   | N/A       | 177,804                           | 73,271        | 52,185         | 30,746         | 15,704         |
| 2004   | N/A       | 192,644                           | 75,688        | 53,445         | 31,293         | 15,828         |
| 2005   | N/A       | 206,018                           | 77,854        | 54,254         | 31,262         | 15,662         |
| 2006   | N/A       | 216,784                           | 80,378        | 55,337         | 31,594         | 15,721         |
| 2007   | N/A       | 221,344                           | 81,273        | 55,747         | 31,520         | 15,630         |
| 2008   | N/A       | 199,490                           | 77,353        | 53,883         | 30,573         | 15,116         |
| <b>Income (millions of current dollars):</b>               |           |                                   |               |                |                |                |
| 1986   | 2,804,691 | 427,513                           | 796,935       | 1,097,550      | 1,732,231      | 2,368,620      |
| 1987   | 2,856,118 | 363,880                           | 749,240       | 1,067,438      | 1,741,747      | 2,411,715      |
| 1988   | 3,153,639 | 484,675                           | 911,170       | 1,255,108      | 1,973,061      | 2,683,524      |
| 1989   | 3,336,571 | 486,976                           | 947,363       | 1,317,619      | 2,085,003      | 2,838,481      |
| 1990   | 3,497,118 | 504,687                           | 987,582       | 1,376,162      | 2,182,091      | 2,973,847      |
| 1991   | 3,577,337 | 478,756                           | 985,590       | 1,390,924      | 2,224,979      | 3,038,428      |
| 1992   | 3,763,002 | 556,421                           | 1,090,019     | 1,509,728      | 2,369,701      | 3,206,490      |
| 1993   | 3,849,532 | 554,075                           | 1,105,014     | 1,537,285      | 2,422,475      | 3,278,866      |
| 1994   | 4,033,642 | 579,564                           | 1,161,972     | 1,617,250      | 2,544,400      | 3,436,167      |
| 1995   | 4,317,506 | 653,717                           | 1,284,726     | 1,772,890      | 2,754,988      | 3,692,267      |
| 1996   | 4,670,644 | 772,868                           | 1,462,979     | 1,984,931      | 3,025,107      | 4,015,461      |
| 1997   | 5,112,706 | 918,007                           | 1,679,877     | 2,242,353      | 3,353,245      | 4,409,075      |
| 1998   | 5,626,390 | 1,072,779                         | 1,925,214     | 2,542,399      | 3,742,006      | 4,869,467      |
| 1999   | 6,082,931 | 1,236,081                         | 2,166,370     | 2,825,789      | 4,099,929      | 5,290,805      |
| 2000   | 6,601,494 | 1,424,436                         | 2,430,957     | 3,138,299      | 4,495,910      | 5,758,808      |
| 2001   | 6,361,523 | 1,159,037                         | 2,121,055     | 2,828,677      | 4,202,776      | 5,491,703      |
| 2002   | 6,262,714 | 1,057,775                         | 2,005,658     | 2,712,226      | 4,092,069      | 5,383,263      |
| 2003   | 6,429,711 | 1,122,582                         | 2,091,401     | 2,813,645      | 4,226,517      | 5,539,087      |
| 2004   | 7,044,141 | 1,383,978                         | 2,453,830     | 3,228,229      | 4,726,625      | 6,111,786      |
| 2005   | 7,701,103 | 1,678,406                         | 2,863,229     | 3,694,152      | 5,278,659      | 6,729,456      |
| 2006   | 8,365,645 | 1,900,311                         | 3,202,445     | 4,101,178      | 5,798,340      | 7,340,135      |
| 2007   | 9,048,579 | 2,121,037                         | 3,533,346     | 4,502,869      | 6,324,119      | 7,963,204      |
| 2008   | 8,657,921 | 1,802,841                         | 3,157,272     | 4,117,545      | 5,937,731      | 7,574,417      |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008—Continued**

[All figures are estimates based on samples]

| Item, tax year   | Total     | Descending cumulative percentiles |               |                |                |                |
|--|-----------|-----------------------------------|---------------|----------------|----------------|----------------|
|  |           | Top 1 percent                     | Top 5 percent | Top 10 percent | Top 25 percent | Top 50 percent |
|  | (1)       | (2)                               | (3)           | (4)            | (5)            | (6)            |
| <b>Total income tax (millions of current dollars) [4]:</b> |           |                                   |               |                |                |                |
| 1986   | 366,763   | 93,128                            | 155,553       | 198,862        | 277,578        | 342,296        |
| 1987   | 368,924   | 89,908                            | 158,485       | 204,050        | 282,970        | 346,228        |
| 1988   | 412,549   | 112,208                           | 186,793       | 235,121        | 320,152        | 388,631        |
| 1989   | 432,643   | 107,508                           | 188,588       | 240,229        | 333,285        | 407,106        |
| 1990   | 446,906   | 110,530                           | 192,991       | 245,856        | 342,926        | 420,345        |
| 1991   | 448,177   | 107,926                           | 192,548       | 246,745        | 345,168        | 423,180        |
| 1992   | 476,067   | 127,361                           | 216,303       | 272,361        | 372,352        | 451,494        |
| 1993   | 502,638   | 142,329                           | 235,908       | 294,238        | 397,261        | 477,997        |
| 1994   | 534,693   | 150,133                           | 250,770       | 314,909        | 423,743        | 508,540        |
| 1995   | 588,292   | 173,877                           | 284,036       | 354,427        | 471,035        | 560,748        |
| 1996   | 658,059   | 208,071                           | 331,404       | 407,726        | 532,750        | 628,918        |
| 1997   | 731,123   | 238,978                           | 376,046       | 459,674        | 595,060        | 699,131        |
| 1998   | 783,437   | 262,464                           | 413,303       | 503,577        | 644,182        | 749,547        |
| 1999   | 877,199   | 307,382                           | 479,531       | 577,903        | 729,679        | 841,172        |
| 2000   | 980,459   | 355,911                           | 546,102       | 654,155        | 819,937        | 941,304        |
| 2001   | 887,770   | 291,907                           | 466,057       | 570,430        | 732,094        | 851,539        |
| 2002   | 796,763   | 259,192                           | 420,834       | 517,937        | 664,670        | 767,890        |
| 2003   | 747,800   | 248,107                           | 400,202       | 487,657        | 624,070        | 720,861        |
| 2004   | 831,815   | 297,199                           | 467,728       | 562,092        | 702,203        | 803,521        |
| 2005   | 934,524   | 359,060                           | 549,667       | 651,220        | 800,022        | 904,857        |
| 2006   | 1,023,556 | 396,274                           | 605,877       | 717,713        | 878,565        | 991,763        |
| 2007   | 1,115,338 | 437,537                           | 665,659       | 786,765        | 961,228        | 1,081,951      |
| 2008   | 1,031,252 | 378,608                           | 594,941       | 713,703        | 885,883        | 1,002,156      |
| <b>Average tax rate (percentage) [5]:</b>                  |           |                                   |               |                |                |                |
| 1986   | 13.08     | 21.78                             | 19.52         | 18.12          | 16.02          | 14.45          |
| 1987   | 12.92     | 24.71                             | 21.15         | 19.12          | 16.25          | 14.36          |
| 1988   | 13.08     | 23.15                             | 20.50         | 18.73          | 16.23          | 14.48          |
| 1989   | 12.97     | 22.08                             | 19.91         | 18.23          | 15.98          | 14.34          |
| 1990   | 12.78     | 21.90                             | 19.54         | 17.87          | 15.72          | 14.13          |
| 1991   | 12.53     | 22.54                             | 19.54         | 17.74          | 15.51          | 13.93          |
| 1992   | 12.65     | 22.89                             | 19.84         | 18.04          | 15.71          | 14.08          |
| 1993   | 13.06     | 25.69                             | 21.35         | 19.14          | 16.40          | 14.58          |
| 1994   | 13.26     | 25.90                             | 21.58         | 19.47          | 16.65          | 14.80          |
| 1995   | 13.63     | 26.60                             | 22.11         | 19.99          | 17.10          | 15.19          |
| 1996   | 14.09     | 26.92                             | 22.65         | 20.54          | 17.61          | 15.66          |
| 1997   | 14.30     | 26.03                             | 22.39         | 20.50          | 17.75          | 15.86          |
| 1998   | 13.92     | 24.47                             | 21.47         | 19.81          | 17.21          | 15.39          |
| 1999   | 14.42     | 24.87                             | 22.14         | 20.45          | 17.80          | 15.90          |
| 2000   | 14.85     | 24.99                             | 22.46         | 20.84          | 18.24          | 16.35          |
| 2001   | 13.96     | 25.19                             | 21.97         | 20.17          | 17.42          | 15.51          |
| 2002   | 12.72     | 24.50                             | 20.98         | 19.10          | 16.24          | 14.26          |
| 2003   | 11.63     | 22.10                             | 19.14         | 17.33          | 14.77          | 13.01          |
| 2004   | 11.81     | 21.47                             | 19.06         | 17.41          | 14.86          | 13.15          |
| 2005   | 12.13     | 21.39                             | 19.20         | 17.63          | 15.16          | 13.45          |
| 2006   | 12.24     | 20.85                             | 18.92         | 17.50          | 15.15          | 13.51          |
| 2007   | 12.33     | 20.63                             | 18.84         | 17.47          | 15.20          | 13.59          |
| 2008   | 11.91     | 21.00                             | 18.84         | 17.33          | 14.92          | 13.23          |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008—Continued**

[All figures are estimates based on samples]

| Item, tax year                              | Total  | Descending cumulative percentiles |               |                |                |                |
|---|--------|-----------------------------------|---------------|----------------|----------------|----------------|
|   |        | Top 1 percent                     | Top 5 percent | Top 10 percent | Top 25 percent | Top 50 percent |
|   | (1)    | (2)                               | (3)           | (4)            | (5)            | (6)            |
| <b>Income share (percentage):</b>           |        |                                   |               |                |                |                |
| 1986  | 100.00 | 15.24                             | 28.41         | 39.13          | 61.76          | 84.45          |
| 1987  | 100.00 | 12.74                             | 26.23         | 37.37          | 60.98          | 84.44          |
| 1988  | 100.00 | 15.37                             | 28.89         | 39.80          | 62.56          | 85.09          |
| 1989  | 100.00 | 14.60                             | 28.39         | 39.49          | 62.49          | 85.07          |
| 1990  | 100.00 | 14.43                             | 28.24         | 39.35          | 62.40          | 85.04          |
| 1991  | 100.00 | 13.38                             | 27.55         | 38.88          | 62.20          | 84.94          |
| 1992  | 100.00 | 14.79                             | 28.97         | 40.12          | 62.97          | 85.21          |
| 1993  | 100.00 | 14.39                             | 28.71         | 39.93          | 62.93          | 85.18          |
| 1994  | 100.00 | 14.37                             | 28.81         | 40.09          | 63.08          | 85.19          |
| 1995  | 100.00 | 15.14                             | 29.76         | 41.06          | 63.81          | 85.52          |
| 1996  | 100.00 | 16.55                             | 31.32         | 42.50          | 64.77          | 85.97          |
| 1997  | 100.00 | 17.96                             | 32.86         | 43.86          | 65.59          | 86.24          |
| 1998  | 100.00 | 19.07                             | 34.22         | 45.19          | 66.51          | 86.55          |
| 1999  | 100.00 | 20.32                             | 35.61         | 46.45          | 67.40          | 86.98          |
| 2000  | 100.00 | 21.58                             | 36.82         | 47.54          | 68.10          | 87.23          |
| 2001  | 100.00 | 18.22                             | 33.34         | 44.47          | 66.07          | 86.33          |
| 2002  | 100.00 | 16.89                             | 32.03         | 43.31          | 65.34          | 85.96          |
| 2003  | 100.00 | 17.46                             | 32.53         | 43.76          | 65.73          | 86.15          |
| 2004  | 100.00 | 19.65                             | 34.84         | 45.83          | 67.10          | 86.76          |
| 2005  | 100.00 | 21.79                             | 37.18         | 47.97          | 68.54          | 87.38          |
| 2006  | 100.00 | 22.72                             | 38.28         | 49.02          | 69.31          | 87.74          |
| 2007  | 100.00 | 23.44                             | 39.05         | 49.76          | 69.89          | 88.01          |
| 2008  | 100.00 | 20.82                             | 36.47         | 47.56          | 68.58          | 87.49          |
| <b>Total income tax share (percentage):</b> |        |                                   |               |                |                |                |
| 1986  | 100.00 | 25.39                             | 42.41         | 54.22          | 75.68          | 93.33          |
| 1987  | 100.00 | 24.37                             | 42.96         | 55.31          | 76.70          | 93.85          |
| 1988  | 100.00 | 27.20                             | 45.28         | 56.99          | 77.60          | 94.20          |
| 1989  | 100.00 | 24.85                             | 43.59         | 55.53          | 77.03          | 94.10          |
| 1990  | 100.00 | 24.73                             | 43.18         | 55.01          | 76.73          | 94.06          |
| 1991  | 100.00 | 24.08                             | 42.96         | 55.06          | 77.02          | 94.42          |
| 1992  | 100.00 | 26.75                             | 45.44         | 57.21          | 78.21          | 94.84          |
| 1993  | 100.00 | 28.32                             | 46.93         | 58.54          | 79.04          | 95.10          |
| 1994  | 100.00 | 28.08                             | 46.90         | 58.90          | 79.25          | 95.11          |
| 1995  | 100.00 | 29.56                             | 48.28         | 60.25          | 80.07          | 95.32          |
| 1996  | 100.00 | 31.62                             | 50.36         | 61.96          | 80.96          | 95.57          |
| 1997  | 100.00 | 32.69                             | 51.43         | 62.87          | 81.39          | 95.62          |
| 1998  | 100.00 | 33.50                             | 52.76         | 64.28          | 82.23          | 95.67          |
| 1999  | 100.00 | 35.04                             | 54.67         | 65.88          | 83.18          | 95.89          |
| 2000  | 100.00 | 36.30                             | 55.70         | 66.72          | 83.63          | 96.01          |
| 2001  | 100.00 | 32.88                             | 52.50         | 64.25          | 82.46          | 95.92          |
| 2002  | 100.00 | 32.53                             | 52.82         | 65.01          | 83.42          | 96.38          |
| 2003  | 100.00 | 33.18                             | 53.52         | 65.21          | 83.45          | 96.40          |
| 2004  | 100.00 | 35.73                             | 56.23         | 67.57          | 84.42          | 96.60          |
| 2005  | 100.00 | 38.42                             | 58.82         | 69.68          | 85.61          | 96.83          |
| 2006  | 100.00 | 38.72                             | 59.19         | 70.12          | 85.83          | 96.89          |
| 2007  | 100.00 | 39.23                             | 59.68         | 70.54          | 86.18          | 97.01          |
| 2008  | 100.00 | 36.71                             | 57.69         | 69.21          | 85.90          | 97.18          |

# Individual Income Tax Rates and Shares, 2008

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**Table 8. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008**

[All figures are estimates based on samples]

| Item, tax year                               | Total           | Ascending cumulative percentiles |                   |                   |                   |                   |
|--|-----------------|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|  |                 | Bottom 50 percent                | Bottom 75 percent | Bottom 90 percent | Bottom 95 percent | Bottom 99 percent |
|  | (1)             | (2)                              | (3)               | (4)               | (5)               | (6)               |
| <b>Number of returns: [1]</b>                |                 |                                  |                   |                   |                   |                   |
| 1986   | 101,988,805     | 50,994,402                       | 76,491,604        | 91,789,924        | 96,889,365        | 100,968,917       |
| 1987   | 106,191,624     | 53,095,812                       | 79,643,718        | 95,572,462        | 100,882,043       | 105,129,708       |
| 1988   | 108,879,154     | 54,439,577                       | 81,659,366        | 97,991,239        | 103,435,196       | 107,790,362       |
| 1989   | 111,328,835     | 55,664,417                       | 83,496,626        | 100,195,951       | 105,762,393       | 110,215,547       |
| 1990   | 112,717,959     | 56,358,980                       | 84,538,469        | 101,446,163       | 107,082,061       | 111,590,779       |
| 1991   | 113,823,123     | 56,911,562                       | 85,367,342        | 102,440,811       | 108,131,967       | 112,684,892       |
| 1992   | 112,687,747     | 56,343,874                       | 84,515,810        | 101,418,972       | 107,053,360       | 111,560,870       |
| 1993   | 113,721,706     | 56,860,853                       | 85,291,280        | 102,349,535       | 108,035,621       | 112,584,489       |
| 1994   | 115,061,112     | 57,530,556                       | 86,295,834        | 103,555,001       | 109,308,056       | 113,910,501       |
| 1995   | 117,333,779     | 58,666,890                       | 88,000,334        | 105,600,401       | 111,467,090       | 116,160,441       |
| 1996   | 119,487,813     | 59,743,907                       | 89,615,860        | 107,539,032       | 113,513,422       | 118,292,935       |
| 1997   | 121,555,156     | 60,777,578                       | 91,166,367        | 109,399,640       | 115,477,398       | 120,339,604       |
| 1998   | 123,852,016     | 61,926,008                       | 92,889,012        | 111,466,814       | 117,659,415       | 122,613,496       |
| 1999   | 126,107,596     | 63,053,798                       | 94,580,697        | 113,496,836       | 119,802,216       | 124,846,520       |
| 2000   | 128,340,271     | 64,170,135                       | 96,255,203        | 115,506,243       | 121,923,257       | 127,056,868       |
| 2001   | 128,863,007     | 64,431,504                       | 96,647,255        | 115,976,706       | 122,419,857       | 127,574,377       |
| 2002   | 128,415,184     | 64,207,592                       | 96,311,388        | 115,573,666       | 121,994,425       | 127,131,032       |
| 2003   | 128,757,145     | 64,378,573                       | 96,567,859        | 115,881,431       | 122,319,288       | 127,469,574       |
| 2004   | 130,508,966     | 65,254,483                       | 97,881,725        | 117,458,069       | 123,983,518       | 129,203,876       |
| 2005   | 132,730,734     | 66,365,367                       | 99,548,051        | 119,457,661       | 126,094,197       | 131,403,427       |
| 2006   | 135,854,749     | 67,927,375                       | 101,891,062       | 122,269,274       | 129,062,012       | 134,496,202       |
| 2007   | [2] 141,252,080 | 70,626,040                       | 105,939,060       | 127,126,872       | 134,189,476       | 139,839,559       |
| 2008   | 140,118,702     | 70,059,351                       | 105,089,027       | 126,106,832       | 133,112,767       | 138,717,515       |
| <b>Income (millions of current dollars):</b> |                 |                                  |                   |                   |                   |                   |
| 1986   | 2,804,691       | 436,071                          | 1,072,460         | 1,707,142         | 2,007,756         | 2,377,178         |
| 1987   | 2,856,118       | 444,403                          | 1,114,372         | 1,788,680         | 2,106,878         | 2,492,238         |
| 1988   | 3,153,639       | 470,115                          | 1,180,578         | 1,898,531         | 2,242,469         | 2,668,964         |
| 1989   | 3,336,571       | 498,089                          | 1,251,567         | 2,018,952         | 2,389,207         | 2,849,595         |
| 1990   | 3,497,118       | 523,271                          | 1,315,027         | 2,120,956         | 2,509,535         | 2,992,431         |
| 1991   | 3,577,337       | 538,910                          | 1,352,358         | 2,186,413         | 2,591,748         | 3,098,582         |
| 1992   | 3,763,002       | 556,512                          | 1,393,300         | 2,253,273         | 2,672,983         | 3,206,581         |
| 1993   | 3,849,532       | 570,666                          | 1,427,057         | 2,312,247         | 2,744,518         | 3,295,456         |
| 1994   | 4,033,642       | 597,475                          | 1,489,242         | 2,416,392         | 2,871,670         | 3,454,078         |
| 1995   | 4,317,506       | 625,239                          | 1,562,518         | 2,544,615         | 3,032,780         | 3,663,789         |
| 1996   | 4,670,644       | 655,183                          | 1,645,537         | 2,685,713         | 3,207,665         | 3,897,777         |
| 1997   | 5,112,706       | 703,631                          | 1,759,461         | 2,870,353         | 3,432,828         | 4,194,699         |
| 1998   | 5,626,390       | 756,923                          | 1,884,384         | 3,083,991         | 3,701,176         | 4,553,611         |
| 1999   | 6,082,931       | 792,125                          | 1,983,002         | 3,257,142         | 3,916,561         | 4,846,850         |
| 2000   | 6,601,494       | 842,686                          | 2,105,584         | 3,463,195         | 4,170,537         | 5,177,058         |
| 2001   | 6,361,523       | 869,820                          | 2,158,748         | 3,532,846         | 4,240,468         | 5,202,486         |
| 2002   | 6,262,714       | 879,451                          | 2,170,646         | 3,550,488         | 4,257,056         | 5,204,939         |
| 2003   | 6,429,711       | 890,624                          | 2,203,193         | 3,616,066         | 4,338,310         | 5,307,129         |
| 2004   | 7,044,141       | 932,354                          | 2,317,516         | 3,815,911         | 4,590,311         | 5,660,163         |
| 2005   | 7,701,103       | 971,647                          | 2,422,444         | 4,006,951         | 4,837,875         | 6,022,698         |
| 2006   | 8,365,645       | 1,025,509                        | 2,567,304         | 4,264,467         | 5,163,200         | 6,465,334         |
| 2007   | 9,048,579       | 1,085,375                        | 2,724,460         | 4,545,709         | 5,515,232         | 6,927,542         |
| 2008   | 8,657,921       | 1,083,504                        | 2,720,190         | 4,540,376         | 5,500,649         | 6,855,080         |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 8. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008—Continued**

[All figures are estimates based on samples]

| Item, tax year   | Total     | Ascending cumulative percentiles |                   |                   |                   |                   |
|--|-----------|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|  |           | Bottom 50 percent                | Bottom 75 percent | Bottom 90 percent | Bottom 95 percent | Bottom 99 percent |
|  | (1)       | (2)                              | (3)               | (4)               | (5)               | (6)               |
| <b>Total income tax (millions of current dollars): [3]</b> |           |                                  |                   |                   |                   |                   |
| 1986   | 366,763   | 24,467                           | 89,186            | 167,901           | 211,210           | 273,635           |
| 1987   | 368,924   | 22,696                           | 85,954            | 164,874           | 210,439           | 279,016           |
| 1988   | 412,549   | 23,918                           | 92,397            | 177,429           | 225,756           | 300,341           |
| 1989   | 432,643   | 25,537                           | 99,358            | 192,414           | 244,055           | 325,135           |
| 1990   | 446,906   | 26,562                           | 103,980           | 201,050           | 253,915           | 336,376           |
| 1991   | 448,177   | 24,997                           | 103,009           | 201,432           | 255,629           | 340,251           |
| 1992   | 476,067   | 24,573                           | 103,715           | 203,706           | 259,764           | 348,706           |
| 1993   | 502,638   | 24,641                           | 105,377           | 208,400           | 266,730           | 360,309           |
| 1994   | 534,693   | 26,153                           | 110,950           | 219,783           | 283,923           | 384,560           |
| 1995   | 588,292   | 27,544                           | 117,257           | 233,864           | 304,256           | 414,415           |
| 1996   | 658,059   | 29,142                           | 125,310           | 250,333           | 326,655           | 449,988           |
| 1997   | 731,123   | 31,992                           | 136,063           | 271,450           | 355,078           | 492,146           |
| 1998   | 783,437   | 33,889                           | 139,249           | 279,860           | 370,134           | 520,973           |
| 1999   | 877,199   | 36,027                           | 147,520           | 299,294           | 397,669           | 569,817           |
| 2000   | 980,459   | 39,155                           | 160,521           | 326,304           | 434,357           | 624,548           |
| 2001   | 887,770   | 36,230                           | 155,676           | 317,341           | 421,713           | 595,863           |
| 2002   | 796,763   | 28,872                           | 132,093           | 278,827           | 375,930           | 537,571           |
| 2003   | 747,800   | 26,939                           | 123,731           | 260,143           | 347,598           | 499,694           |
| 2004   | 831,815   | 28,294                           | 129,610           | 269,723           | 364,087           | 534,616           |
| 2005   | 934,524   | 29,668                           | 134,499           | 283,305           | 384,857           | 575,464           |
| 2006   | 1,023,556 | 31,796                           | 144,991           | 305,843           | 417,680           | 627,282           |
| 2007   | 1,115,338 | 33,387                           | 154,109           | 328,573           | 449,679           | 677,801           |
| 2008   | 1,031,252 | 29,093                           | 145,369           | 317,549           | 436,311           | 652,645           |
| <b>Average tax rate (percentage): [4]</b>                  |           |                                  |                   |                   |                   |                   |
| 1986   | 13.08     | 5.61                             | 8.32              | 9.84              | 10.52             | 11.51             |
| 1987   | 12.92     | 5.11                             | 7.71              | 9.22              | 9.99              | 11.20             |
| 1988   | 13.08     | 5.09                             | 7.83              | 9.35              | 10.07             | 11.25             |
| 1989   | 12.97     | 5.13                             | 7.94              | 9.53              | 10.21             | 11.41             |
| 1990   | 12.78     | 5.08                             | 7.91              | 9.48              | 10.12             | 11.24             |
| 1991   | 12.53     | 4.64                             | 7.62              | 9.21              | 9.86              | 10.98             |
| 1992   | 12.65     | 4.42                             | 7.44              | 9.04              | 9.72              | 10.87             |
| 1993   | 13.06     | 4.32                             | 7.38              | 9.01              | 9.72              | 10.93             |
| 1994   | 13.26     | 4.38                             | 7.45              | 9.10              | 9.89              | 11.13             |
| 1995   | 13.63     | 4.41                             | 7.50              | 9.19              | 10.03             | 11.31             |
| 1996   | 14.09     | 4.45                             | 7.62              | 9.32              | 10.18             | 11.54             |
| 1997   | 14.30     | 4.55                             | 7.73              | 9.46              | 10.34             | 11.73             |
| 1998   | 13.92     | 4.48                             | 7.39              | 9.07              | 10.00             | 11.44             |
| 1999   | 14.42     | 4.55                             | 7.44              | 9.19              | 10.15             | 11.76             |
| 2000   | 14.85     | 4.65                             | 7.62              | 9.42              | 10.41             | 12.06             |
| 2001   | 13.96     | 4.17                             | 7.21              | 8.98              | 9.95              | 11.45             |
| 2002   | 12.72     | 3.28                             | 6.09              | 7.85              | 8.83              | 10.33             |
| 2003   | 11.63     | 3.02                             | 5.62              | 7.19              | 8.01              | 9.42              |
| 2004   | 11.81     | 3.03                             | 5.59              | 7.07              | 7.93              | 9.45              |
| 2005   | 12.13     | 3.05                             | 5.55              | 7.07              | 7.96              | 9.55              |
| 2006   | 12.24     | 3.10                             | 5.65              | 7.17              | 8.09              | 9.70              |
| 2007   | 12.33     | 3.08                             | 5.66              | 7.23              | 8.15              | 9.78              |
| 2008   | 11.91     | 2.69                             | 5.34              | 6.99              | 7.93              | 9.52              |

Footnotes at end of table.

# Individual Income Tax Rates and Shares, 2008

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**Table 8. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008—Continued**

[All figures are estimates based on samples]

| Item, tax year                              | Total  | Ascending cumulative percentiles |                   |                   |                   |                   |
|---|--------|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|   |        | Bottom 50 percent                | Bottom 75 percent | Bottom 90 percent | Bottom 95 percent | Bottom 99 percent |
|   | (1)    | (2)                              | (3)               | (4)               | (5)               | (6)               |
| <b>Income share (percentage):</b>           |        |                                  |                   |                   |                   |                   |
| 1986  | 100.00 | 15.55                            | 38.24             | 60.87             | 71.59             | 84.76             |
| 1987  | 100.00 | 15.56                            | 39.02             | 62.63             | 73.77             | 87.26             |
| 1988  | 100.00 | 14.91                            | 37.44             | 60.20             | 71.11             | 84.63             |
| 1989  | 100.00 | 14.93                            | 37.51             | 60.51             | 71.61             | 85.40             |
| 1990  | 100.00 | 14.96                            | 37.60             | 60.65             | 71.76             | 85.57             |
| 1991  | 100.00 | 15.06                            | 37.80             | 61.12             | 72.45             | 86.62             |
| 1992  | 100.00 | 14.79                            | 37.03             | 59.88             | 71.03             | 85.21             |
| 1993  | 100.00 | 14.82                            | 37.07             | 60.07             | 71.29             | 85.61             |
| 1994  | 100.00 | 14.81                            | 36.92             | 59.91             | 71.19             | 85.63             |
| 1995  | 100.00 | 14.48                            | 36.19             | 58.94             | 70.24             | 84.86             |
| 1996  | 100.00 | 14.03                            | 35.23             | 57.50             | 68.68             | 83.45             |
| 1997  | 100.00 | 13.76                            | 34.41             | 56.14             | 67.14             | 82.04             |
| 1998  | 100.00 | 13.45                            | 33.49             | 54.81             | 65.78             | 80.93             |
| 1999  | 100.00 | 13.02                            | 32.60             | 53.55             | 64.39             | 79.68             |
| 2000  | 100.00 | 12.77                            | 31.90             | 52.46             | 63.18             | 78.42             |
| 2001  | 100.00 | 13.67                            | 33.93             | 55.53             | 66.66             | 81.78             |
| 2002  | 100.00 | 14.04                            | 34.66             | 56.69             | 67.97             | 83.11             |
| 2003  | 100.00 | 13.85                            | 34.27             | 56.24             | 67.47             | 82.54             |
| 2004  | 100.00 | 13.24                            | 32.90             | 54.17             | 65.16             | 80.35             |
| 2005  | 100.00 | 12.62                            | 31.46             | 52.03             | 62.82             | 78.21             |
| 2006  | 100.00 | 12.26                            | 30.69             | 50.98             | 61.72             | 77.28             |
| 2007  | 100.00 | 12.00                            | 30.11             | 50.24             | 60.95             | 76.56             |
| 2008  | 100.00 | 12.51                            | 31.42             | 52.44             | 63.53             | 79.18             |
| <b>Total income tax share (percentage):</b> |        |                                  |                   |                   |                   |                   |
| 1986  | 100.00 | 6.67                             | 24.32             | 45.78             | 57.59             | 74.61             |
| 1987  | 100.00 | 6.15                             | 23.30             | 44.69             | 57.04             | 75.63             |
| 1988  | 100.00 | 5.80                             | 22.40             | 43.01             | 54.72             | 72.80             |
| 1989  | 100.00 | 5.90                             | 22.97             | 44.47             | 56.41             | 75.15             |
| 1990  | 100.00 | 5.94                             | 23.27             | 44.99             | 56.82             | 75.27             |
| 1991  | 100.00 | 5.58                             | 22.98             | 44.94             | 57.04             | 75.92             |
| 1992  | 100.00 | 5.16                             | 21.79             | 42.79             | 54.56             | 73.25             |
| 1993  | 100.00 | 4.90                             | 20.96             | 41.46             | 53.07             | 71.68             |
| 1994  | 100.00 | 4.89                             | 20.75             | 41.10             | 53.10             | 71.92             |
| 1995  | 100.00 | 4.68                             | 19.93             | 39.75             | 51.72             | 70.44             |
| 1996  | 100.00 | 4.43                             | 19.04             | 38.04             | 49.64             | 68.38             |
| 1997  | 100.00 | 4.38                             | 18.61             | 37.13             | 48.57             | 67.31             |
| 1998  | 100.00 | 4.33                             | 17.77             | 35.72             | 47.24             | 66.50             |
| 1999  | 100.00 | 4.11                             | 16.82             | 34.12             | 45.33             | 64.96             |
| 2000  | 100.00 | 3.99                             | 16.37             | 33.28             | 44.30             | 63.70             |
| 2001  | 100.00 | 4.08                             | 17.54             | 35.75             | 47.50             | 67.12             |
| 2002  | 100.00 | 3.62                             | 16.58             | 34.99             | 47.18             | 67.47             |
| 2003  | 100.00 | 3.60                             | 16.55             | 34.79             | 46.48             | 66.82             |
| 2004  | 100.00 | 3.40                             | 15.58             | 32.43             | 43.77             | 64.27             |
| 2005  | 100.00 | 3.17                             | 14.39             | 30.32             | 41.18             | 61.58             |
| 2006  | 100.00 | 3.11                             | 14.17             | 29.88             | 40.81             | 61.28             |
| 2007  | 100.00 | 2.99                             | 13.82             | 29.46             | 40.32             | 60.77             |
| 2008  | 100.00 | 2.82                             | 14.10             | 30.79             | 42.31             | 63.29             |

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 8. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2008, there were 3,495 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[4] The average tax rate was computed by dividing total income tax (see footnote 3) by (positive) adjusted gross income.

# Individual Noncash Contributions, 2008

by Pearson Liddell and Janette Wilson

**F**or Tax Year 2008, 23.0 million individual taxpayers who itemized deductions reported \$40.4 billion in deductions for noncash charitable contributions.<sup>1</sup> Of these taxpayers, 7.0 million reported \$34.6 billion in deductions for charitable contributions on Form 8283, *Noncash Charitable Contributions*. This form is used by individual taxpayers when the amount of taxpayer deductions for all non-cash donations on Schedule A, *Itemized Deductions*, exceeds \$500. The number of taxpayers filing Form 8283 increased slightly, by 1.2 percent, from 6.9 million in Tax Year 2007, while the amount of donations decreased 34.5 percent from \$52.8 billion in 2007. Between Tax Years 2007 and 2008, corporate stock donations declined 48.0 percent, from \$23.7 billion to \$12.3 billion. For Tax Year 2008, there were no notable tax law changes that affected the deductions allowed for noncash charitable contributions.

Despite the decline in corporate stock donations since Tax Year 2007, corporate stock donations accounted for the largest percentage of total noncash donations in Tax Year 2008. Clothing donations of \$7.9 billion accounted for the second largest percentage of total noncash donations (22.9 percent), followed by household item donations of \$3.1 billion, 9.1 percent of total noncash donations (Figure A). The average corporate stock donation was \$99,912 per return, and, while clothing and household items together represented 32.0 percent of all donations claimed, the average donation, per return, of clothing and household items was much smaller at \$1,457 and \$1,286, respectively. The highest average deduction per return was for investment donations (excluding stock and mutual funds) of \$531,842, followed by conservation easement donations of \$380,541.<sup>2</sup>

As stated above, although the number of taxpayers claiming donations increased 1.2 percent from 6.9 million in Tax Year 2007 to 7.0 million in 2008, the amount of donations claimed declined 34.5 percent from \$52.8 billion to \$34.6 billion in 2008 (Figure B). Corporate stock and clothing donations represented the highest amounts claimed for both Tax

Years 2007 and 2008. Donations of corporate stock declined 48.0 percent from \$23.7 billion in Tax Year 2007 to \$12.3 billion in 2008; as a proportion, donations of corporate stock decreased from 44.9 percent of all donations in 2007 to 35.7 percent in Tax Year 2008. In contrast, the amount taxpayers claimed for clothing donations increased 3.9 percent from \$7.6 billion in Tax Year 2007 to \$7.9 billion in Tax Year 2008; these donations represented 14.4 percent of all donations in Tax Year 2007 and 22.9 percent in 2008. Donations of household items decreased 20.1 percent from \$3.9 billion in Tax Year 2007 to \$3.1 billion in 2008. In terms of the amount claimed, household donations were the third largest category of donations in 2008, up from fourth largest in Tax Year 2007. From Tax Year 2007 to 2008, land donations decreased 63.2 percent from \$4.0 billion to \$1.5 billion. As a proportion of all donations, land donations decreased from 7.7 percent in 2007 to 4.3 percent in 2008.

Figure B also shows some other significant changes between Tax Years 2007 and 2008. Taxpayer donations of mutual funds declined 59.0 percent from \$1.4 billion in Tax Year 2007 to \$0.6 billion in 2008. In addition, land (as stated above) and easement donations also declined substantially. The amount deducted for all easement donations declined 44.1 percent from \$2.2 billion in Tax Year 2007 to \$1.2 billion in 2008. The amount claimed for car donations declined 23.2 percent between Tax Years 2007 and 2008, from \$0.6 billion to \$0.4 billion.

In terms of average donations per return, the overall average amount claimed decreased between Tax Years 2007 and 2008, from \$7,617 to \$4,930. Average corporate stock donations decreased between the 2 tax years, from \$117,458 to \$99,912. Although the amount that taxpayers claimed for mutual funds and other investments declined between Tax Years 2007 and 2008, average donations per return increased for both categories, from \$100,205 to \$129,776 for mutual funds and \$461,783 to \$531,842 for other investments. The average donation of land per return declined significantly from \$518,156 in 2007 to \$164,944 in 2008. In addition, the average easement donation per return declined from \$885,061 in Tax Year 2007 to \$284,488 in 2008.

*Pearson Liddell and Janette Wilson are economists with the Individual Research Section. This article was prepared under the direction of Michael Strudler, Chief.*

<sup>1</sup> For further details on Tax Year 2008 individual income and tax statistics, see *Statistics of Income—2008, Individual Income Tax Returns* (IRS Publication 1304).

<sup>2</sup> The deduction amounts reported in this article include the amount carried to Schedule A for reporting itemized deductions.

# Individual Noncash Contributions, 2008

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**Figure A**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Type, Form 8283, Tax Year 2008

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

| Type of donation          | Number of returns [1] | Number of donations | Amount carried to Schedule A | Average amount per return | Average amount per donation | Percentage of number of donations | Percentage of amount carried to Schedule A |
|---------------------------|-----------------------|---------------------|------------------------------|---------------------------|-----------------------------|-----------------------------------|--|
|                           | (1)                   | (2)                 | (3)                          | (4)                       | (5)                         | (6)                               | (7)  |
| <b>All donations</b>      | <b>7,017,933</b>      | <b>19,478,520</b>   | <b>34,597,290</b>            | <b>4,930</b>              | <b>1,776</b>                | <b>100.0</b>                      | <b>100.0</b>                               |
| Corporate stock           | 123,510               | 268,344             | 12,340,093                   | 99,912                    | 45,986                      | 1.4                               | 35.7                                       |
| Mutual funds              | 4,482                 | 8,499               | 581,662                      | 129,776                   | 68,441                      | [2]                               | 1.7  |
| Other investments         | 3,654                 | 5,498               | 1,943,447                    | 531,842                   | 353,504                     | [2]                               | 5.6  |
| Real estate               | 9,423                 | 9,828               | 857,130                      | 90,966                    | 87,211                      | 0.1                               | 2.5  |
| Land                      | 9,023                 | 9,626               | 1,488,312                    | 164,944                   | 154,610                     | [2]                               | 4.3  |
| Conservation easements    | 3,095                 | 3,158               | 1,177,753                    | 380,541                   | 372,925                     | [2]                               | 3.4  |
| Facade easements          | 1,180                 | 1,396               | 38,290                       | 32,462                    | 27,423                      | [2]                               | 0.1  |
| Art and collectibles      | 92,518                | 129,532             | 1,351,382                    | 14,607                    | 10,433                      | 0.7                               | 3.9  |
| Food                      | 233,128               | 377,958             | 116,550                      | 500                       | 308                         | 1.9                               | 0.3  |
| Clothing                  | 5,431,988             | 11,956,236          | 7,914,117                    | 1,457                     | 662                         | 61.4                              | 22.9                                       |
| Accessories               | 43,026                | 60,574              | 25,693                       | 597                       | 424                         | 0.3                               | 0.1  |
| Electronics               | 467,925               | 589,041             | 432,403                      | 924                       | 734                         | 3.0                               | 1.2  |
| Household items           | 2,435,153             | 4,441,990           | 3,131,977                    | 1,286                     | 705                         | 22.8                              | 9.1  |
| Cars                      | 236,667               | 251,970             | 443,729                      | 1,875                     | 1,761                       | 1.3                               | 1.3  |
| Other vehicles            | 18,562                | 19,166              | 129,468                      | 6,975                     | 6,755                       | 0.1                               | 0.4  |
| Services                  | 29,044                | 48,716              | 60,558                       | 2,085                     | 1,243                       | 0.3                               | 0.2  |
| Airline tickets and miles | 3,925                 | 3,953               | 3,282                        | 836                       | 830                         | [2]                               | [2]  |
| Other [3]                 | 831,030               | 1,293,034           | 2,561,445                    | 3,082                     | 1,981                       | 6.6                               | 7.4  |

[1] Total number of returns does not equal the sum of returns by donation type because a return could have more than one type of donation.

[2] Less than 0.05 percent.

[3] Other donations include donations of intellectual property.

Taxpayers with adjusted gross income (AGI) of \$10 million or more collectively deducted 6.1 percent of their AGI in noncash contributions, claiming \$9.2 billion on approximately 4,250 Forms 8283 (Figure C). Donations from this group of taxpayers represented 26.7 percent of all individual taxpayer donations in Tax Year 2008. Taxpayers in the \$100,000 to \$200,000 AGI group gave \$5.7 billion (1.7 percent of their AGI) on 2.5 million tax returns, which represented 16.4 percent of all donations claimed. Those taxpayers in the \$200,000 to \$500,000 AGI category gave \$3.8 billion (11.0 percent of donations claimed). Overall, the average donation amount for all taxpayers claiming donation deductions was \$4,930 per return. Taxpayers with AGI of \$10 million or more claimed \$2.2 million per return, followed by an average donation of just over \$320,000 by those in the \$5 million to \$10 million AGI group.

A comparison of donation amounts by AGI group across Tax Years 2007 and 2008 is shown in Figure D. Overall donations decreased 34.5 percent

between Tax Years 2007 and 2008, as cited above, and most AGI groups showed a decrease in the amount of donations reported. There were some exceptions, the most notable being donations claimed by taxpayers in the under \$25,000 AGI groups, whose donation amounts increased 60.1 percent between Tax Years 2007 and 2008, from \$0.9 billion to \$1.4 billion. Almost all of this increase was for taxpayers with negative AGI. Donations claimed by those taxpayers with AGI greater than \$10 million declined 47.6 percent, from \$17.6 billion in Tax Year 2007 to \$9.2 billion in 2008. This decline was in conjunction with the AGI for this income group decreasing by 38.7 percent, from \$245.9 billion in Tax Year 2007 to \$150.7 billion in 2008. Despite this decrease, donations made by this group still represented more than one-fourth (26.7 percent) of all donations claimed in 2008; donations made by this group were one-third of all donations in 2007. Taxpayers making \$10 million or more in AGI donated 6.1 percent of their AGI in 2008, compared with 7.2 percent in

# Individual Noncash Contributions, 2008

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**Figure B**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Type, Form 8283, Tax Years 2007 and 2008

[Money amounts are in thousands of dollars]

| Type of donation          | 2007                  |                              | 2008                  |                              | Percentage change     |                              |
|---------------------------|-----------------------|------------------------------|-----------------------|------------------------------|-----------------------|------------------------------|
|                           | Number of returns [1] | Amount carried to Schedule A | Number of returns [1] | Amount carried to Schedule A | Number of returns [1] | Amount carried to Schedule A |
|                           | (1)                   | (2)                          | (3)                   | (4)                          | (5)                   | (6)                          |
| <b>All donations</b>      | <b>6,935,871</b>      | <b>52,827,286</b>            | <b>7,017,933</b>      | <b>34,597,290</b>            | <b>1.2</b>            | <b>-34.5</b>                 |
| Corporate stock           | 202,019               | 23,728,784                   | 123,510               | 12,340,093                   | -38.9                 | -48.0                        |
| Mutual funds              | 14,160                | 1,418,878                    | 4,482                 | 581,662                      | -68.3                 | -59.0                        |
| Other investments         | 4,215                 | 1,946,378                    | 3,654                 | 1,943,447                    | -13.3                 | -0.2                         |
| Real estate               | 8,552                 | 1,896,978                    | 9,423                 | 857,130                      | 10.2                  | -54.8                        |
| Land                      | 7,811                 | 4,047,464                    | 9,023                 | 1,488,312                    | 15.5                  | -63.2                        |
| Conservation easements    | 2,231                 | 1,954,122                    | 3,095                 | 1,177,753                    | 38.7                  | -39.7                        |
| Façade easements          | 228                   | 222,269                      | 1,180                 | 38,290                       | 417.3                 | -82.8                        |
| Art and collectibles      | 69,762                | 997,996                      | 92,518                | 1,351,382                    | 32.6                  | 35.4                         |
| Food                      | 204,943               | 98,698                       | 233,128               | 116,550                      | 13.8                  | 18.1                         |
| Clothing                  | 5,283,547             | 7,613,709                    | 5,431,988             | 7,914,117                    | 2.8                   | 3.9                          |
| Accessories               | 57,022                | 103,577                      | 43,026                | 25,693                       | -24.5                 | -75.2                        |
| Electronics               | 471,594               | 372,087                      | 467,925               | 432,403                      | -0.8                  | 16.2                         |
| Household items           | 2,404,979             | 3,920,893                    | 2,435,153             | 3,131,977                    | 1.3                   | -20.1                        |
| Cars                      | 317,632               | 578,113                      | 236,667               | 443,729                      | -25.5                 | -23.2                        |
| Other vehicles            | 10,279                | 116,514                      | 18,562                | 129,468                      | 80.6                  | 11.1                         |
| Services                  | 19,117                | 56,546                       | 29,044                | 60,558                       | 51.9                  | 7.1                          |
| Airline tickets and miles | 1,558                 | 3,712                        | 3,925                 | 3,282                        | 151.9                 | -11.6                        |
| Other [2]                 | 807,473               | 3,750,570                    | 831,030               | 2,561,445                    | 2.9                   | -31.7                        |

[1] Total number of returns does not equal the sum of returns by donation type because a return could have more than one type of donation.

[2] Other donations include donations of intellectual property.

Tax Year 2007. Donations by those taxpayers in the \$100,000 to \$200,000 and \$200,000 to \$500,000 AGI groups also declined by 7.3 percent and 42.6 percent, respectively, between Tax Years 2007 and 2008, from \$6.1 billion to \$5.7 billion for the former group, and from \$6.6 billion to \$3.8 billion for the latter group. Donations claimed by taxpayers in the \$5 million to \$10 million AGI group decreased 50.9 percent, from \$3.7 billion in Tax Year 2007 to \$1.8 billion in 2008. Lastly, taxpayers with AGI between \$2 million and \$5 million had the largest percentage decline in the amount of noncash contributions for 2008, with donated amounts falling by 51.9 percent from 2007 levels.<sup>3</sup>

Information on donee organizations is presented in Figures E, F, and G. Figure E shows that, for Tax Year 2008, most donations, in terms of amount

claimed, were given to large organizations and foundations (\$8.6 billion and \$8.1 billion, respectively). Donations to large organizations represented 25.0 percent of the total donation amount, and donations to foundations represented 23.3 percent. The largest average donation of \$76,170 per return was made to foundations; in contrast, the average donation to large organizations was about \$1,620, second lowest only to \$1,525 for donations to health and medical research organizations. The second highest average donation amount was made to donor-advised funds (just over \$70,000). However, in contrast to foundation donations, donor-advised funds received only 4.6 percent of the total amount deducted by taxpayers on the Schedule A.

Donations to almost all donee types declined between Tax Years 2007 and 2008 (Figures F and G).

<sup>3</sup> For further details on Tax Year 2007 noncash charitable contributions, see *SOI Bulletin, Statistics of Income—2010, Individual Noncash Contributions, 2007* (IRS Publication 1136).

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**Figure C**

### Individual Noncash Charitable Contributions: All Returns with Donations, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

| Size of adjusted gross income      | Number of returns | Percentage of returns | Adjusted gross income (AGI) | Amount carried to Schedule A | Percentage of amount carried to Schedule A | Donation as percentage of AGI | Average donation per return |
|------------------------------------|-------------------|-----------------------|-----------------------------|------------------------------|--|-------------------------------|-----------------------------|
|                                    | (1)               | (2)                   | (3)                         | (4)                          | (5)  | (6)                           | (7)                         |
| <b>All returns</b>                 | <b>7,017,933</b>  | <b>100.0</b>          | <b>1,190,695,802</b>        | <b>34,597,290</b>            | <b>100.0</b>                               | <b>2.9</b>                    | <b>4,930</b>                |
| Under \$5,000 (including deficits) | 65,357            | 0.9                   | -13,509,077                 | 851,617                      | 2.5  | -6.3                          | 13,030                      |
| \$5,000 under \$10,000             | 25,160            | 0.4                   | 195,757                     | 54,818                       | 0.2  | 28.0                          | 2,179                       |
| \$10,000 under \$15,000            | 46,870            | 0.7                   | 609,804                     | 95,742                       | 0.3  | 15.7                          | 2,043                       |
| \$15,000 under \$20,000            | 67,295            | 1.0                   | 1,190,586                   | 166,324                      | 0.5  | 14.0                          | 2,472                       |
| \$20,000 under \$25,000            | 91,997            | 1.3                   | 2,096,162                   | 198,401                      | 0.6  | 9.5                           | 2,157                       |
| \$25,000 under \$30,000            | 117,482           | 1.7                   | 3,244,816                   | 249,704                      | 0.7  | 7.7                           | 2,125                       |
| \$30,000 under \$40,000            | 310,078           | 4.4                   | 10,911,514                  | 593,080                      | 1.7  | 5.4                           | 1,913                       |
| \$40,000 under \$50,000            | 397,788           | 5.7                   | 18,027,697                  | 749,294                      | 2.2  | 4.2                           | 1,884                       |
| \$50,000 under \$75,000            | 1,176,946         | 16.8                  | 74,096,451                  | 2,184,527                    | 6.3  | 2.9                           | 1,856                       |
| \$75,000 under \$100,000           | 1,209,981         | 17.2                  | 105,983,485                 | 2,511,105                    | 7.3  | 2.4                           | 2,075                       |
| \$100,000 under \$200,000          | 2,475,689         | 35.3                  | 341,015,276                 | 5,676,972                    | 16.4                                       | 1.7                           | 2,293                       |
| \$200,000 under \$500,000          | 817,491           | 11.6                  | 235,204,259                 | 3,796,783                    | 11.0                                       | 1.6                           | 4,644                       |
| \$500,000 under \$1,000,000        | 136,002           | 1.9                   | 92,673,193                  | 2,120,916                    | 6.1  | 2.3                           | 15,595                      |
| \$1,000,000 under \$1,500,000      | 34,514            | 0.5                   | 41,725,446                  | 1,265,625                    | 3.7  | 3.0                           | 36,670                      |
| \$1,500,000 under \$2,000,000      | 14,319            | 0.2                   | 24,680,298                  | 797,369                      | 2.3  | 3.2                           | 55,687                      |
| \$2,000,000 under \$5,000,000      | 21,100            | 0.3                   | 63,256,948                  | 2,253,462                    | 6.5  | 3.6                           | 106,800                     |
| \$5,000,000 under \$10,000,000     | 5,616             | 0.1                   | 38,552,639                  | 1,802,489                    | 5.2  | 4.7                           | 320,982                     |
| \$10,000,000 or more               | 4,249             | 0.1                   | 150,740,548                 | 9,229,061                    | 26.7                                       | 6.1                           | 2,172,055                   |

Donations to educational institutions declined by the largest percentage (62.0 percent) from \$8.1 billion in Tax Year 2007 to \$3.1 billion in 2008. These donations represented 15.4 percent of donations claimed in 2007 and just 8.9 percent in Tax Year 2008. The average donation per return to this donee type was about \$18,010 in Tax Year 2007 and \$7,950 in 2008. Another notable decrease was in donations made to foundations, which declined 42.6 percent from \$14.1 billion in Tax Year 2007 to \$8.1 billion in 2008; these donations represented 26.6 percent of all donations claimed in 2007 and 23.3 percent in 2008. In addition, the average donation per return for this donee type declined from more than \$117,300 in Tax Year 2007 to \$76,170 in 2008. The one exception to these declines was contributions to large organizations, which increased slightly, by 0.7 percent between Tax Years 2007 and 2008. These donations, valued at \$8.6 billion, represented 25.0 percent of all donations reported in Tax Year 2008 and 16.2 percent in Tax Year 2007. Despite this increase, the average donation per return made to large organizations in

Tax Year 2008 was about \$1,620, which was slightly lower than \$1,640 in 2007.

In comparing donations by different age groups, taxpayers age 65 and older gave the most in terms of the amount reported on Schedule A. This group gave \$13.8 billion in cash contributions (40.3 percent of the total cash contributions of \$34.3 billion) and \$14.0 billion in noncash contributions on Form 8283 (40.4 percent of the total noncash contributions of \$34.6 billion) in Tax Year 2008. Figure H shows that the average noncash donation amount per return for these taxpayers was nearly \$14,650, which was more than three times the average of any other age group. In addition, taxpayers in this age group donated 7.7 percent of their AGI amount of \$181.9 billion in noncash contributions, also more than three times the percentage of any other group. Details from Table 4 show that, of the \$14.0 billion in donations made by taxpayers 65 or older, \$9.2 billion (65.9 percent) were donations of corporate stock, mutual funds, and other investments. For these taxpayers, real estate and easement donations were the next largest category, at

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## Figure D

### Individual Noncash Charitable Contributions: All Returns with Donations, by Size of Adjusted Gross Income, Form 8283, Tax Years 2007 and 2008

[Money amounts are in thousands of dollars]

| Size of adjusted gross income      | 2007              |                              | 2008              |                              | Percentage change |                              |
|------------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|
|                                    | Number of returns | Amount carried to Schedule A | Number of returns | Amount carried to Schedule A | Number of returns | Amount carried to Schedule A |
|                                    | (1)               | (2)                          | (3)               | (4)                          | (5)               | (6)                          |
| <b>All returns</b>                 | <b>6,935,871</b>  | <b>52,827,286</b>            | <b>7,017,933</b>  | <b>34,597,290</b>            | <b>1.2</b>        | <b>-34.5</b>                 |
| Under \$5,000 (including deficits) | 53,644            | 437,990                      | 65,357            | 851,617                      | 21.8              | 94.4                         |
| \$5,000 under \$10,000             | 19,876            | 32,865                       | 25,160            | 54,818                       | 26.6              | 66.8                         |
| \$10,000 under \$15,000            | 41,379            | 63,656                       | 46,870            | 95,742                       | 13.3              | 50.4                         |
| \$15,000 under \$20,000            | 72,526            | 176,973                      | 67,295            | 166,324                      | -7.2              | -6.0                         |
| \$20,000 under \$25,000            | 79,185            | 142,373                      | 91,997            | 198,401                      | 16.2              | 39.4                         |
| \$25,000 under \$30,000            | 111,204           | 239,120                      | 117,482           | 249,704                      | 5.6               | 4.4                          |
| \$30,000 under \$40,000            | 329,437           | 607,097                      | 310,078           | 593,080                      | -5.9              | -2.3                         |
| \$40,000 under \$50,000            | 407,863           | 730,144                      | 397,788           | 749,294                      | -2.5              | 2.6                          |
| \$50,000 under \$75,000            | 1,199,060         | 2,314,376                    | 1,176,946         | 2,184,527                    | -1.8              | -5.6                         |
| \$75,000 under \$100,000           | 1,217,550         | 2,759,170                    | 1,209,981         | 2,511,105                    | -0.6              | -9.0                         |
| \$100,000 under \$200,000          | 2,316,810         | 6,123,973                    | 2,475,689         | 5,676,972                    | 6.9               | -7.3                         |
| \$200,000 under \$500,000          | 812,072           | 6,612,170                    | 817,491           | 3,796,783                    | 0.7               | -42.6                        |
| \$500,000 under \$1,000,000        | 166,326           | 3,304,007                    | 136,002           | 2,120,916                    | -18.2             | -35.8                        |
| \$1,000,000 under \$1,500,000      | 42,804            | 2,301,768                    | 34,514            | 1,265,625                    | -19.4             | -45.0                        |
| \$1,500,000 under \$2,000,000      | 18,888            | 1,016,069                    | 14,319            | 797,369                      | -24.2             | -21.5                        |
| \$2,000,000 under \$5,000,000      | 30,864            | 4,683,307                    | 21,100            | 2,253,462                    | -31.6             | -51.9                        |
| \$5,000,000 under \$10,000,000     | 9,158             | 3,668,368                    | 5,616             | 1,802,489                    | -38.7             | -50.9                        |
| \$10,000,000 or more               | 7,224             | 17,613,858                   | 4,249             | 9,229,061                    | -41.2             | -47.6                        |

## Figure E

### Individual Noncash Charitable Contributions: All Returns with Donations, by Donee Type, Form 8283, Tax Year 2008

[Money amounts are in thousands of dollars, except average amounts are in whole dollars]

| Type of donee                                | Number of returns [1] | Number of donations | Amount carried to Schedule A | Average amount per return | Average amount per donation | Percentage of number of donations | Percentage of amount carried to Schedule A |
|--|-----------------------|---------------------|------------------------------|---------------------------|-----------------------------|-----------------------------------|--|
|  | (1)                   | (2)                 | (3)                          | (4)                       | (5)                         | (6)                               | (7)  |
| <b>All donees</b>                            | <b>7,017,933</b>      | <b>19,478,520</b>   | <b>34,597,290</b>            | <b>4,930</b>              | <b>1,776</b>                | <b>100.0</b>                      | <b>100.0</b>                               |
| Arts, culture, and humanities                | 258,253               | 356,523             | 1,584,915                    | 6,137                     | 4,445                       | 1.8                               | 4.6  |
| Educational institutions                     | 388,563               | 600,703             | 3,090,630                    | 7,954                     | 5,145                       | 3.1                               | 8.9  |
| Environment and animal related organizations | 130,212               | 199,901             | 1,732,439                    | 13,305                    | 8,666                       | 1.0                               | 5.0  |
| Health and medical research                  | 817,481               | 1,349,903           | 1,247,090                    | 1,526                     | 924                         | 6.9                               | 3.6  |
| Large organizations                          | 5,335,476             | 11,768,127          | 8,637,960                    | 1,619                     | 734                         | 60.4                              | 25.0                                       |
| Public and societal benefit                  | 1,483,142             | 2,524,099           | 2,977,780                    | 2,008                     | 1,180                       | 13.0                              | 8.6  |
| Religious organizations                      | 1,118,419             | 1,895,631           | 3,019,787                    | 2,700                     | 1,593                       | 9.7                               | 8.7  |
| Donor-advised funds                          | 22,656                | 37,644              | 1,593,053                    | 70,315                    | 42,319                      | 0.2                               | 4.6  |
| Foundations                                  | 105,867               | 177,252             | 8,063,904                    | 76,170                    | 45,494                      | 0.9                               | 23.3                                       |
| Other donees                                 | 431,706               | 568,739             | 2,649,732                    | 6,138                     | 4,659                       | 2.9                               | 7.7  |

[1] Total number of returns does not equal the sum of returns by donee type because a return could have donations to more than one type of donee.

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**Figure F**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Donee Type, Form 8283, Tax Years 2007 and 2008

[Money amounts are in thousands of dollars]

| Type of donee                                | 2007                  |                              | 2008                  |                              | Percentage change     |                              |
|--|-----------------------|------------------------------|-----------------------|------------------------------|-----------------------|------------------------------|
|  | Number of returns [1] | Amount carried to Schedule A | Number of returns [1] | Amount carried to Schedule A | Number of returns [1] | Amount carried to Schedule A |
|  | (1)                   | (2)                          | (3)                   | (4)                          | (5)                   | (6)                          |
| <b>All donees</b>                            | <b>6,935,871</b>      | <b>52,827,286</b>            | <b>7,017,933</b>      | <b>34,597,290</b>            | <b>1.2</b>            | <b>-34.5</b>                 |
| Arts, culture, and humanities                | 249,800               | 1,712,097                    | 258,253               | 1,584,915                    | 3.4                   | -7.4                         |
| Educational institutions                     | 451,651               | 8,133,919                    | 388,563               | 3,090,630                    | -14.0                 | -62.0                        |
| Environment and animal related organizations | 116,555               | 2,951,850                    | 130,212               | 1,732,439                    | 11.7                  | -41.3                        |
| Health and medical research                  | 756,637               | 1,634,212                    | 817,481               | 1,247,090                    | 8.0                   | -23.7                        |
| Large organizations                          | 5,232,603             | 8,581,386                    | 5,335,476             | 8,637,960                    | 2.0                   | 0.7                          |
| Public and societal benefit                  | 1,416,492             | 3,723,395                    | 1,483,142             | 2,977,780                    | 4.7                   | -20.0                        |
| Religious organizations                      | 1,191,634             | 4,198,783                    | 1,118,419             | 3,019,787                    | -6.1                  | -28.1                        |
| Donor-advised funds                          | 24,533                | 3,473,953                    | 22,656                | 1,593,053                    | -7.7                  | -54.1                        |
| Foundations                                  | 119,856               | 14,060,690                   | 105,867               | 8,063,904                    | -11.7                 | -42.6                        |
| Other donees                                 | 399,927               | 4,357,002                    | 431,706               | 2,649,732                    | 7.9                   | -39.2                        |

[1] Total number of returns does not equal the sum of returns by donee type because a return could have donations to more than one type of donee.

\$1.4 billion. Those taxpayers age 45 under 55 made noncash donations of \$7.5 billion (2.0 percent of their AGI), with an average per return donation of about \$3,710. Those taxpayers age 55 under 65 donated slightly less (\$6.8 billion or 2.5 percent of their AGI), and their average donation per return was somewhat higher, at approximately \$4,425.

Figure I shows that all age groups donated considerably less in Tax Year 2008 compared to 2007. Donations made by taxpayers under 35 declined by the largest percentage (61.3 percent), from \$5.6 billion claimed in Tax Year 2007 to \$2.1 billion in 2008. Those taxpayers over 65 deducted the most in both Tax Years 2007 and 2008, claiming \$21.4 billion and \$14.0 billion, respectively. Although their donations declined by 34.6 percent, these taxpayers deducted about 40.0 percent of the total amount claimed in both tax years. The average donation per return for these taxpayers declined from just over \$23,600 in 2007 to about \$14,650 in Tax Year 2008. Of the 7.0 million returns filed with noncash donation deductions for Tax Year 2008, 13.6 percent (nearly 956,000) were filed by those taxpayers over 65. This is an increase of 5.5 percent from 2007, when, of the 6.9 million returns filed, approximately 906,000 (13.1 percent of all returns) were filed by this age

group. For Tax Year 2008, taxpayers 45 through 55 reported donations of \$7.5 billion (21.7 percent of total donations), second highest among the age groups. These taxpayers had an average donation per return of approximately \$3,710. For Tax Year 2007, this group reported \$9.6 billion in donations (18.1 percent of total donations), third highest among the age groups behind taxpayers 65 and older and those between 55 and 65.

### Explanation of Selected Terms:

*Amount carried to Schedule A*—This is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000). The dollar amounts of donations reported in this article reflect the amounts reported on Form 8283 that are carried to Schedule A for reporting itemized deductions.

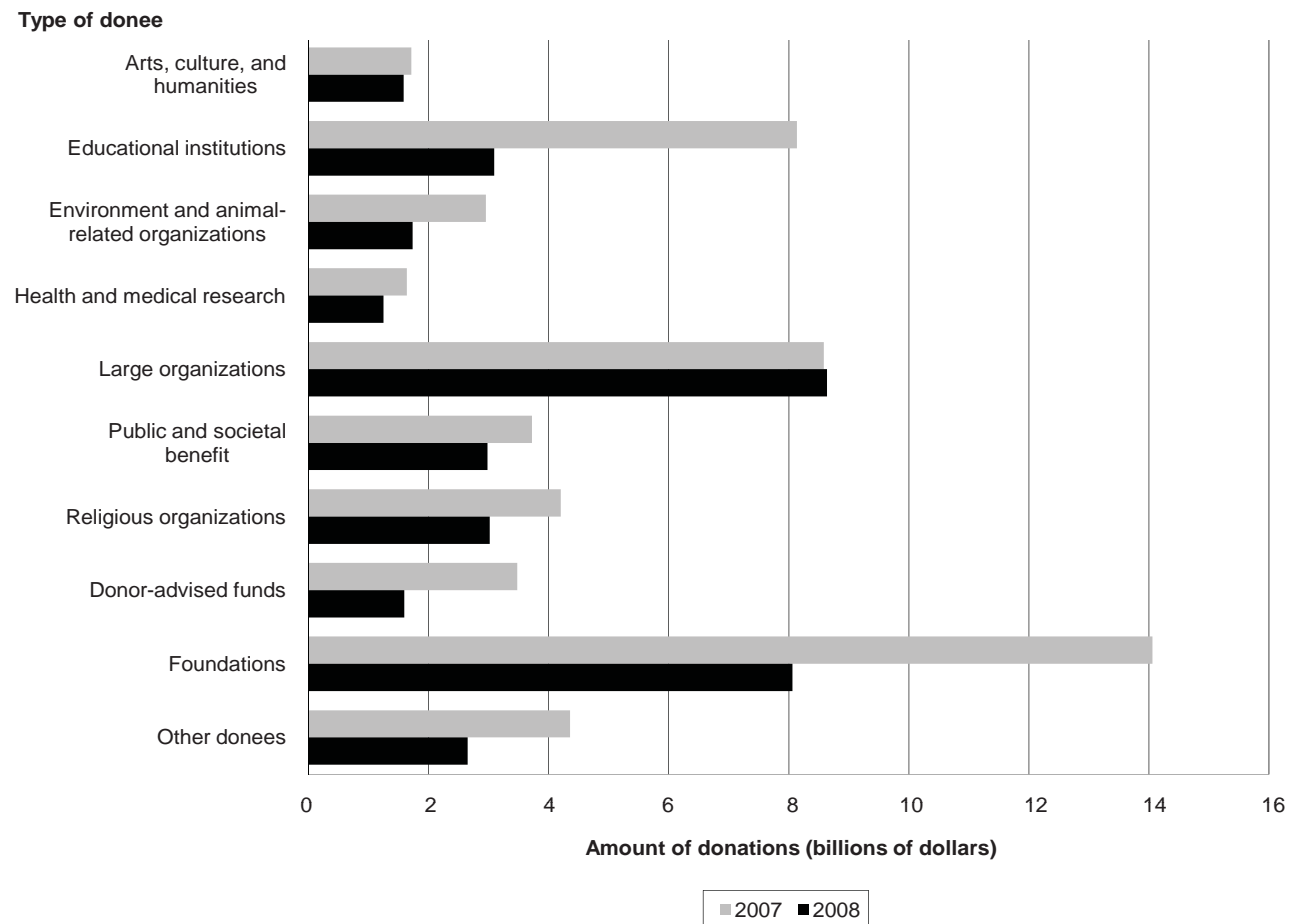
*Donor's cost*—Also known as the adjusted basis or tax basis, this is generally the amount that the owner paid for the property. If the property were received as a gift, the original cost carries over to the recipient of the gift, increased by any gift tax paid on the appreciated portion of the property. If acquired

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**Figure G**

**Amount of Individual Noncash Charitable Contributions, by Donee Type, Tax Years 2007 and 2008**



from a decedent, the basis is the fair market value of the property used for estate tax purposes.

*Fair market value*—The fair market value is the value a willing and knowledgeable buyer would pay a seller in a voluntary situation.

*Number of donations*—For this study, data were collected in the manner they were reported by the taxpayer. For example, if clothing were listed twice, even though it was given to the same donee organization, it was counted as two separate donations.

*Number of returns*—This is the number of returns for which a Form 8283 was attached in the Individual SOI sample. For this study, all returns with Form 8283 were counted, whether or not the taxpayer carried the Form 8283 amounts to the Schedule A.

Please note that the allowable amount of a non-cash deduction depends on whether the property is ordinary income or capital gain property. Ordinary income property is property, that if sold, would generate ordinary income or short-term capital gain. Examples are clothing, household items, inventory, and capital assets held less than 1 year. Capital gain property results in a long-term gain, if sold. Examples of this are real property used for a taxpayer's business and corporate stock held more than 1 year. The total charitable deduction is generally limited to no more than 50 percent of AGI. This amount can be reduced to 30 percent or 20 percent, depending on the type of property donated and the type of charitable organization. The statistics for this article include

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**Figure H**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Age of Donor, Form 8283, Tax Year 2008

[Money amounts are in thousands of dollars, except average amounts are in whole dollars]

| Donor age       | Number of returns | Amount carried to Schedule A | Average amount per return | Adjusted gross Income (AGI) | Donation as percentage of AGI | Number of returns with cash contributions on Schedule A | Amount of cash contributions on Schedule A |
|-----------------|-------------------|------------------------------|---------------------------|-----------------------------|-------------------------------|---|--|
|                 | (1)               | (2)                          | (3)                       | (4)                         | (5)                           | (6)   | (7)  |
| <b>All ages</b> | <b>7,017,933</b>  | <b>34,597,290</b>            | <b>4,930</b>              | <b>1,190,695,799</b>        | <b>2.9</b>                    | <b>6,989,003</b>  | <b>34,326,876</b>                          |
| Under 35        | 755,997           | 2,146,802                    | 2,840                     | 95,749,356                  | 2.2                           | 752,821   | 2,139,265                                  |
| 35 under 45     | 1,744,011         | 4,138,123                    | 2,373                     | 263,147,563                 | 1.6                           | 1,738,290   | 4,130,905                                  |
| 45 under 55     | 2,026,075         | 7,519,928                    | 3,712                     | 373,239,550                 | 2.0                           | 2,018,726   | 7,469,908                                  |
| 55 under 65     | 1,536,299         | 6,800,937                    | 4,427                     | 276,655,329                 | 2.5                           | 1,530,001   | 6,765,876                                  |
| 65 and older    | 955,551           | 13,991,499                   | 14,642                    | 181,904,002                 | 7.7                           | 949,164   | 13,820,922                                 |

**Figure I**

## Individual Noncash Charitable Contributions: All Returns with Donations, by Age of Donor, Form 8283, Tax Years 2007 and 2008

[Money amounts are in thousands of dollars]

| Donor age       | 2007              |                              | 2008              |                              | Percentage change |                              |
|-----------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|
|                 | Number of returns | Amount carried to Schedule A | Number of returns | Amount carried to Schedule A | Number of returns | Amount carried to Schedule A |
|                 | (1)               | (2)                          | (3)               | (4)                          | (5)               | (6)                          |
| <b>All ages</b> | <b>6,935,871</b>  | <b>52,827,286</b>            | <b>7,017,933</b>  | <b>34,597,290</b>            | <b>1.2</b>        | <b>-34.5</b>                 |
| Under 35        | 779,595           | 5,553,689                    | 755,997           | 2,146,802                    | -3.0              | -61.3                        |
| 35 under 45     | 1,715,183         | 5,247,485                    | 1,744,011         | 4,138,123                    | 1.7               | -21.1                        |
| 45 under 55     | 2,029,836         | 9,580,605                    | 2,026,075         | 7,519,928                    | -0.2              | -21.5                        |
| 55 under 65     | 1,505,146         | 11,053,899                   | 1,536,299         | 6,800,937                    | 2.1               | -38.5                        |
| 65 and older    | 906,110           | 21,391,609                   | 955,551           | 13,991,499                   | 5.5               | -34.6                        |

the entire deduction amount reported by taxpayers and transcribed from Form 8283 to line 17 of Schedule A. The limitations are then applied to the amount reported on line 19 of that schedule.

### Donated Property Types:

*Accessories*—Includes belts, furs, jewelry, purses, scarves, and watches.

*Art and collectibles*—Includes art works, such as ceramics, drawings, paintings, photographs, and sculptures; and collectibles including coins, books, historical documents, memorabilia, rare or valuable clothing, jewelry, and stamps.

*Cars*—Includes vehicles designed for road transportation, such as cars, buses, motorcycles, motor homes, SUVs, and trucks.

*Clothing*—Includes apparel for children, men, and women, such as coats, dresses, hats, shoes, and suits. Also includes sports and school uniforms.

*Conservation easements*—Includes land and right of way easements. Donations of this type must be a qualified real property interest contributed to a qualified organization for conservation purposes.<sup>4</sup>

*Corporate stock*—Includes shares of publicly traded and closely held common and preferred stock, as well as stock rights.

<sup>4</sup> Notice 2007-50, Guidance Regarding Deductions by Individuals for Qualified Conservation Contributions, includes a tax law change for conservation contributions such that the 50-percent-of-AGI limitation is increased to 100 percent (the 100-percent limitation) for eligible farmers and ranchers. This may have been a partial cause for the 31.2-percent increase in the amount of conservation easements for Tax Year 2007.

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*Electronics*—Includes cameras, computer systems, copiers, DVD players, fax machines, stereo systems, televisions, telephones, and video games.

*Façade easements*—Includes real estate easements and historical preservation or architectural easements.

*Food*—Includes beverages, individual food items or meals, snacks, restaurant coupons, vitamins, and wine.

*Household items*—Includes appliances, books, exercise equipment, furniture, luggage, tools, and toys.

*Intellectual property*—Includes copyrights, patents, trademarks, trade names, trade secrets, and certain types of software.

*Land*—Includes farms, orchards, and open lots.

*Mutual funds*—Includes shares of taxable and nontaxable mutual funds, exchange-traded funds, and unit investment trusts.

*Other investments*—Includes annuities, bonds, CDs, life insurance policies, notes, options, partnership interests, and real estate investment trusts.

*Other vehicles*—Includes all-terrain vehicles, airplanes, and watercraft vehicles such as boats, canoes, ships, and water-skis.

*Real estate*—Includes apartments, cabins, houses, and other residential and commercial property.

*Services*—Includes audio presentations, catering, healthcare services, transport and travel expenses, tutoring and other professional services.

*Other*—Includes animals, building materials, cemetery plots, medical equipment, tickets to events, and donated vacations or use of vacation property.

## Donee Organizations:

*Arts, culture, and humanities*—Includes organizations involved with the arts, music, history, and cultural activities, such as museums, libraries, science centers, and theaters.

*Donor-advised funds*—A segregated fund within a public charity that permits the donor to have advisory privileges on distributions or investments. Donations to donor-advised funds may be understated because of the difficulty of identifying all such donations.

*Educational institutions*—Includes organizations whose primary function is educational, such as fraternities, schools (including those with religious affiliation), scholarship funds, and universities.

*Environmental and animal organizations*—Includes organizations that protect, promote, or seek to improve the environment or welfare of animals, such as local animal shelters, botanical gardens, and garden clubs.

*Foundations*—A foundation is a type of philanthropic organization set up by individuals or institutions as a legal entity (usually either a corporation or trust) with the purpose of distributing grants to support causes in line with the goal of the foundation. For the purpose of this study, this includes private foundations, which are often specific to a person or family, and community foundations.

*Health and medical research*—Includes hospitals, medical associations, nursing homes, and hospices.

*Large organizations*—Includes large national and international organizations that have local chapters, such as Goodwill Industries International, The Salvation Army, United Way International, Habitat for Humanity International, and Boy Scouts of America.

*Other*—Includes all other organizations that are not included in any other category.

*Public or societal benefit*—These are organizations that benefit individuals or communities and do not meet the conditions of other categories, such as education, health, and religion. These include homeless shelters, food banks, and political think tanks.

*Religious organizations*—Includes churches, synagogues, and book stores and thrift stores run by religious organizations.

## Data Source and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically filed returns) filed during Calendar Year 2009. Returns in the sample were stratified based on: (1) the larger of positive income or negative income (absolute value); (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the

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**Figure J**

## Individual Noncash Charitable Contributions: Coefficients of Variation for Selected Items, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

[Coefficients of variation are in percentages]

| Size of adjusted gross income       | Number of returns | Donor's cost | Amount carried to Schedule A | Fair market value |
|-------------------------------------|-------------------|--------------|------------------------------|-------------------|
|                                     | (1)               | (2)          | (3)                          | (4)               |
| <b>All returns</b>                  | <b>0.97</b>       | <b>1.76</b>  | <b>2.04</b>                  | <b>2.57</b>       |
| Under \$25,000 (including deficits) | 4.93              | 7.59         | 7.87                         | 7.72              |
| \$25,000 under \$50,000             | 3.20              | 5.36         | 4.57                         | 4.55              |
| \$50,000 under \$75,000             | 2.69              | 5.28         | 5.29                         | 17.40             |
| \$75,000 under \$100,000            | 2.68              | 4.85         | 8.25                         | 8.25              |
| \$100,000 under \$200,000           | 1.70              | 3.39         | 5.58                         | 5.59              |
| \$200,000 under \$500,000           | 1.73              | 5.39         | 8.03                         | 9.46              |
| \$500,000 under \$1,000,000         | 2.37              | 7.49         | 14.88                        | 18.71             |
| \$1,000,000 under \$1,500,000       | 2.76              | 12.00        | 25.35                        | 20.36             |
| \$1,500,000 under \$2,000,000       | 2.11              | 10.68        | 17.63                        | 16.28             |
| \$2,000,000 under \$5,000,000       | 1.29              | 6.97         | 4.34                         | 8.99              |
| \$5,000,000 under \$10,000,000      | 1.24              | 4.68         | 3.39                         | 5.78              |
| \$10,000,000 or more                | 0.00              | 0.00         | 0.00                         | 0.00              |

usefulness of returns for tax policy modeling purposes. Returns were then selected at rates ranging from 0.10 percent to 100 percent.

Tax Year 2008 data are based on a sample of 328,630 returns and an estimated final population of 142,580,866 returns.<sup>5</sup> The number of returns in the sample with Form 8283 was 42,127.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To use the statistical data provided

properly, the magnitude of the potential sampling error must be known; coefficients of variation (CVs) are used to measure that magnitude. Figure J shows estimated CVs for the numbers of returns and money amounts for selected income items. The reliability of estimates based on samples and the use of CVs for evaluating the precision of estimates based on samples are discussed in SOI Sampling Methodology and Data Limitations later in this issue of the *Bulletin*.

<sup>5</sup> For further details on the description of the sample, see *Statistics of Income—2008, Individual Income Tax Returns* (IRS Publication 1304).

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**Table 1a. Individual Noncash Charitable Contributions: All Returns with Donations, All Donation Types, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | All returns with donations |                     |                   |                   |                                  |
|-------------------------------------|----------------------------|---------------------|-------------------|-------------------|----------------------------------|
|                                     | Number of returns          | Number of donations | Donor's cost [1]  | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                        | (2)                 | (3)               | (4)               | (5)                              |
| <b>All returns</b>                  | <b>7,017,933</b>           | <b>19,478,520</b>   | <b>36,117,384</b> | <b>39,358,995</b> | <b>34,597,290</b>                |
| Under \$25,000 (including deficits) | 296,679                    | 679,561             | 1,732,432         | 1,465,577         | 1,366,902                        |
| \$25,000 under \$50,000             | 825,349                    | 1,855,511           | 3,303,562         | 1,599,967         | 1,592,078                        |
| \$50,000 under \$75,000             | 1,176,946                  | 2,895,006           | 4,304,475         | 2,616,828         | 2,184,527                        |
| \$75,000 under \$100,000            | 1,209,981                  | 3,229,250           | 4,715,340         | 2,513,935         | 2,511,105                        |
| \$100,000 under \$200,000           | 2,475,689                  | 7,577,436           | 10,743,702        | 5,720,390         | 5,676,972                        |
| \$200,000 under \$500,000           | 817,491                    | 2,594,774           | 5,781,697         | 4,381,317         | 3,796,783                        |
| \$500,000 under \$1,000,000         | 136,002                    | 403,077             | 1,572,677         | 2,528,269         | 2,120,916                        |
| \$1,000,000 under \$1,500,000       | 34,514                     | 104,017             | 669,675           | 1,713,039         | 1,265,625                        |
| \$1,500,000 under \$2,000,000       | 14,319                     | 41,200              | 304,117           | 902,651           | 797,369                          |
| \$2,000,000 under \$5,000,000       | 21,100                     | 64,798              | 839,489           | 3,413,937         | 2,253,462                        |
| \$5,000,000 under \$10,000,000      | 5,616                      | 18,307              | 540,970           | 2,519,799         | 1,802,489                        |
| \$10,000,000 or more                | 4,249                      | 15,583              | 1,609,247         | 9,983,286         | 9,229,061                        |

Footnotes at end of table 1j.

**Table 1b. Individual Noncash Charitable Contributions: Returns with Donations of Corporate Stock, Mutual Funds, and Other Investments, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Returns with donations of corporate stock, mutual funds, and other investments |                     |                  |                   |                                  |
|-------------------------------------|--|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns  | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)  | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>131,646</b>   | <b>282,340</b>      | <b>2,868,742</b> | <b>15,696,625</b> | <b>14,865,203</b>                |
| Under \$25,000 (including deficits) | 3,092  | 5,300               | 74,506           | 279,513           | 272,817                          |
| \$25,000 under \$50,000             | 5,777  | 9,258               | 15,013           | 62,806            | 62,124                           |
| \$50,000 under \$75,000             | 9,243  | 10,977              | 7,401            | 131,972           | 131,972                          |
| \$75,000 under \$100,000            | 8,782  | 17,958              | 27,893           | 97,564            | 97,564                           |
| \$100,000 under \$200,000           | 38,133   | 70,014              | 140,321          | 533,760           | 533,425                          |
| \$200,000 under \$500,000           | 35,536   | 82,773              | 491,718          | 1,349,439         | 1,078,696                        |
| \$500,000 under \$1,000,000         | 13,607   | 35,526              | 173,730          | 903,836           | 826,420                          |
| \$1,000,000 under \$1,500,000       | 5,223  | 14,218              | 144,721          | 807,685           | 761,067                          |
| \$1,500,000 under \$2,000,000       | 2,999  | 7,706               | 79,979           | 585,031           | 577,055                          |
| \$2,000,000 under \$5,000,000       | 5,293  | 15,168              | 270,715          | 1,391,498         | 1,351,545                        |
| \$5,000,000 under \$10,000,000      | 1,964  | 6,350               | 267,081          | 1,328,525         | 1,262,092                        |
| \$10,000,000 or more                | 1,997  | 7,092               | 1,175,663        | 8,224,996         | 7,910,426                        |

Footnotes at end of table 1j.

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**Table 1c. Individual Noncash Charitable Contributions: Returns with Donations of Real Estate and Easements, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Returns with donations of real estate and easements |                     |                  |                   |                                  |
|-------------------------------------|---|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns                                   | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)   | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>22,720</b>                                       | <b>24,009</b>       | <b>1,666,445</b> | <b>7,218,445</b>  | <b>3,561,485</b>                 |
| Under \$25,000 (including deficits) | 1,550   | 1,566               | 136,548          | 193,040           | 112,074                          |
| \$25,000 under \$50,000             | * 2,080   | * 2,080             | * 8,099          | * 14,948          | * 10,273                         |
| \$50,000 under \$75,000             | 4,946   | 4,946               | 28,996           | 458,994           | 26,862                           |
| \$75,000 under \$100,000            | * 2,489   | * 2,489             | * 553            | * 276,968         | * 276,968                        |
| \$100,000 under \$200,000           | 3,118   | 3,277               | 77,037           | 208,580           | 187,124                          |
| \$200,000 under \$500,000           | 3,828   | 3,981               | 233,923          | 873,992           | 587,596                          |
| \$500,000 under \$1,000,000         | 2,061   | 2,680               | 274,353          | 1,048,101         | 738,578                          |
| \$1,000,000 under \$1,500,000       | 869   | 954                 | 176,417          | 647,098           | 262,138                          |
| \$1,500,000 under \$2,000,000       | 398   | 417                 | 60,434           | 173,180           | 91,761                           |
| \$2,000,000 under \$5,000,000       | 806   | 938                 | 281,602          | 1,600,619         | 516,200                          |
| \$5,000,000 under \$10,000,000      | 304   | 346                 | 151,150          | 872,943           | 292,403                          |
| \$10,000,000 or more                | 271   | 335                 | 237,333          | 849,981           | 459,509                          |

Footnotes at end of table 1j.

**Table 1d. Individual Noncash Charitable Contributions: Returns with Donations of Art and Collectibles, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Returns with donations of art and collectibles |                     |                  |                   |                                  |
|-------------------------------------|--|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns                              | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)  | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>92,518</b>                                  | <b>129,532</b>      | <b>672,344</b>   | <b>1,510,754</b>  | <b>1,351,382</b>                 |
| Under \$25,000 (including deficits) | 4,419  | 6,637               | 70,756           | 92,369            | 90,383                           |
| \$25,000 under \$50,000             | 5,824  | 6,721               | 10,092           | 15,755            | 15,529                           |
| \$50,000 under \$75,000             | 13,541   | 15,534              | 39,509           | 22,597            | 22,597                           |
| \$75,000 under \$100,000            | 13,272   | 22,131              | 44,622           | 51,904            | 49,080                           |
| \$100,000 under \$200,000           | 32,555   | 42,575              | 155,895          | 366,576           | 366,147                          |
| \$200,000 under \$500,000           | 16,747   | 26,172              | 107,109          | 200,317           | 176,054                          |
| \$500,000 under \$1,000,000         | 3,420  | 4,072               | 50,232           | 115,797           | 113,969                          |
| \$1,000,000 under \$1,500,000       | 794  | 1,474               | 44,137           | 63,752            | 62,505                           |
| \$1,500,000 under \$2,000,000       | 597  | 1,061               | 18,488           | 46,472            | 32,861                           |
| \$2,000,000 under \$5,000,000       | 793  | 1,958               | 27,711           | 122,509           | 99,426                           |
| \$5,000,000 under \$10,000,000      | 303  | 657                 | 23,687           | 135,456           | 81,459                           |
| \$10,000,000 or more                | 254  | 540                 | 80,106           | 277,252           | 241,371                          |

Footnotes at end of table 1j.

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**Table 1e. Individual Noncash Charitable Contributions: Returns with Donations of Food, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Returns with donations of food |                     |                  |                   |                                  |
|-------------------------------------|--------------------------------|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns              | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                            | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>233,128</b>                 | <b>377,958</b>      | <b>106,492</b>   | <b>120,845</b>    | <b>116,550</b>                   |
| Under \$25,000 (including deficits) | 7,030                          | 15,767              | 13,390           | 14,600            | 14,600                           |
| \$25,000 under \$50,000             | 27,625                         | 50,505              | 15,290           | 9,794             | 9,794                            |
| \$50,000 under \$75,000             | 34,164                         | 55,751              | 11,304           | 12,151            | 12,151                           |
| \$75,000 under \$100,000            | 36,923                         | 54,508              | 4,079            | 6,619             | 6,619                            |
| \$100,000 under \$200,000           | 85,674                         | 139,723             | 30,806           | 38,880            | 38,879                           |
| \$200,000 under \$500,000           | 32,542                         | 46,788              | 11,959           | 16,333            | 15,447                           |
| \$500,000 under \$1,000,000         | 5,955                          | 9,993               | 2,650            | 2,738             | 2,736                            |
| \$1,000,000 under \$1,500,000       | 1,278                          | 1,827               | 1,125            | 1,301             | 1,301                            |
| \$1,500,000 under \$2,000,000       | 640                            | 994                 | 447              | 948               | 948                              |
| \$2,000,000 under \$5,000,000       | 905                            | 1,483               | 6,815            | 5,037             | 4,930                            |
| \$5,000,000 under \$10,000,000      | 231                            | 362                 | 3,448            | 5,859             | 3,696                            |
| \$10,000,000 or more                | 161                            | 256                 | 5,179            | 6,584             | 5,449                            |

Footnotes at end of table 1j.

**Table 1f. Individual Noncash Charitable Contributions: Returns with Donations of Clothing and Accessories, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Returns with donations of clothing and accessories |                     |                   |                   |                                  |
|-------------------------------------|--|---------------------|-------------------|-------------------|----------------------------------|
|                                     | Number of returns                                  | Number of donations | Donor's cost [1]  | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)  | (2)                 | (3)               | (4)               | (5)                              |
| <b>All returns</b>                  | <b>5,475,014</b>                                   | <b>12,016,810</b>   | <b>16,756,965</b> | <b>7,940,324</b>  | <b>7,939,810</b>                 |
| Under \$25,000 (including deficits) | 202,960  | 363,762             | 671,422           | 328,711           | 328,711                          |
| \$25,000 under \$50,000             | 608,415  | 1,101,032           | 1,778,942         | 885,064           | 885,064                          |
| \$50,000 under \$75,000             | 913,255  | 1,789,107           | 2,369,442         | 1,215,150         | 1,214,987                        |
| \$75,000 under \$100,000            | 972,519  | 2,062,924           | 2,634,507         | 1,322,101         | 1,322,095                        |
| \$100,000 under \$200,000           | 1,997,364  | 4,859,007           | 5,735,939         | 2,841,875         | 2,841,875                        |
| \$200,000 under \$500,000           | 640,893  | 1,551,019           | 2,756,338         | 1,077,895         | 1,077,893                        |
| \$500,000 under \$1,000,000         | 94,423   | 198,894             | 516,159           | 164,363           | 164,336                          |
| \$1,000,000 under \$1,500,000       | 21,716   | 45,307              | 132,365           | 45,557            | 45,557                           |
| \$1,500,000 under \$2,000,000       | 8,210  | 16,131              | 52,079            | 21,672            | 21,672                           |
| \$2,000,000 under \$5,000,000       | 11,473   | 22,734              | 81,741            | 25,372            | 25,371                           |
| \$5,000,000 under \$10,000,000      | 2,416  | 4,446               | 16,773            | 6,213             | 6,213                            |
| \$10,000,000 or more                | 1,370  | 2,448               | 11,258            | 6,352             | 6,036                            |

Footnotes at end of table 1j.

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**Table 1g. Individual Noncash Charitable Contributions: Returns with Donations of Electronics, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Returns with donations of electronics |                     |                  |                   |                                  |
|-------------------------------------|---------------------------------------|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns                     | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                                   | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>467,925</b>                        | <b>589,041</b>      | <b>990,464</b>   | <b>432,220</b>    | <b>432,403</b>                   |
| Under \$25,000 (including deficits) | 14,399                                | 15,376              | 29,062           | 9,318             | 9,318                            |
| \$25,000 under \$50,000             | 49,577                                | 60,797              | 130,124          | 66,860            | 66,860                           |
| \$50,000 under \$75,000             | 75,716                                | 84,956              | 115,410          | 70,332            | 70,332                           |
| \$75,000 under \$100,000            | 73,933                                | 98,911              | 150,777          | 62,926            | 62,926                           |
| \$100,000 under \$200,000           | 177,296                               | 227,624             | 351,799          | 148,790           | 148,790                          |
| \$200,000 under \$500,000           | 63,062                                | 84,584              | 160,387          | 56,006            | 56,006                           |
| \$500,000 under \$1,000,000         | 9,085                                 | 10,813              | 32,925           | 9,461             | 9,461                            |
| \$1,000,000 under \$1,500,000       | 2,170                                 | 2,674               | 7,701            | 2,757             | 2,757                            |
| \$1,500,000 under \$2,000,000       | 899                                   | 1,160               | 4,603            | 1,612             | 1,612                            |
| \$2,000,000 under \$5,000,000       | 1,281                                 | 1,546               | 4,922            | 2,471             | 3,102                            |
| \$5,000,000 under \$10,000,000      | 307                                   | 357                 | 1,072            | 444               | 444                              |
| \$10,000,000 or more                | 198                                   | 244                 | 1,680            | 1,242             | 795                              |

Footnotes at end of table 1j.

**Table 1h. Individual Noncash Charitable Contributions: Returns with Donations of Household Items, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Returns with donations of household items |                     |                  |                   |                                  |
|-------------------------------------|---|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns                         | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                                       | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>2,435,153</b>                          | <b>4,441,990</b>    | <b>8,445,621</b> | <b>3,140,717</b>  | <b>3,131,977</b>                 |
| Under \$25,000 (including deficits) | 114,168                                   | 196,617             | 513,940          | 180,301           | 180,255                          |
| \$25,000 under \$50,000             | 276,575                                   | 464,138             | 936,573          | 377,694           | 376,564                          |
| \$50,000 under \$75,000             | 388,677                                   | 682,152             | 1,192,826        | 484,643           | 484,643                          |
| \$75,000 under \$100,000            | 407,737                                   | 705,928             | 1,309,519        | 486,987           | 486,987                          |
| \$100,000 under \$200,000           | 861,205                                   | 1,645,590           | 2,654,770        | 999,389           | 994,143                          |
| \$200,000 under \$500,000           | 306,173                                   | 600,263             | 1,357,274        | 451,886           | 451,873                          |
| \$500,000 under \$1,000,000         | 54,076                                    | 99,205              | 301,640          | 91,855            | 91,855                           |
| \$1,000,000 under \$1,500,000       | 12,480                                    | 23,080              | 83,240           | 27,612            | 27,612                           |
| \$1,500,000 under \$2,000,000       | 4,812                                     | 8,546               | 27,801           | 11,206            | 9,727                            |
| \$2,000,000 under \$5,000,000       | 6,821                                     | 11,920              | 48,219           | 19,231            | 18,439                           |
| \$5,000,000 under \$10,000,000      | 1,550                                     | 2,892               | 11,592           | 4,792             | 4,791                            |
| \$10,000,000 or more                | 880                                       | 1,659               | 8,227            | 5,122             | 5,088                            |

Footnotes at end of table 1j.

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**Table 1i. Individual Noncash Charitable Contributions: Returns with Donations of Cars and Other Vehicles, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Returns with donations of cars and other vehicles |                     |                  |                   |                                  |
|-------------------------------------|---|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns                                 | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)   | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>255,229</b>                                    | <b>271,136</b>      | <b>2,524,076</b> | <b>613,276</b>    | <b>573,197</b>                   |
| Under \$25,000 (including deficits) | 14,064  | 14,686              | 102,041          | 45,004            | 38,157                           |
| \$25,000 under \$50,000             | 26,526  | 28,285              | 200,716          | 40,577            | 39,400                           |
| \$50,000 under \$75,000             | 33,171  | 35,892              | 247,014          | 45,350            | 45,350                           |
| \$75,000 under \$100,000            | 39,914  | 43,238              | 330,974          | 55,876            | 55,875                           |
| \$100,000 under \$200,000           | 106,062   | 112,502             | 1,047,932        | 220,085           | 205,557                          |
| \$200,000 under \$500,000           | 28,720  | 29,184              | 393,287          | 91,771            | 89,886                           |
| \$500,000 under \$1,000,000         | 4,298   | 4,708               | 85,706           | 27,025            | 27,025                           |
| \$1,000,000 under \$1,500,000       | 1,130   | 1,213               | 39,382           | 23,096            | 14,047                           |
| \$1,500,000 under \$2,000,000       | 430   | 468                 | 8,814            | 3,598             | 3,539                            |
| \$2,000,000 under \$5,000,000       | 596   | 622                 | 40,984           | 28,429            | 26,694                           |
| \$5,000,000 under \$10,000,000      | 189   | 204                 | 14,623           | 20,899            | 20,925                           |
| \$10,000,000 or more                | 127   | 134                 | 12,601           | 11,568            | 6,741                            |

Footnotes at end of table 1j.

**Table 1j. Individual Noncash Charitable Contributions: Returns with Other Donations [3], by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Returns with other donations [3] |                     |                  |                   |                                  |
|-------------------------------------|----------------------------------|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns                | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                              | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>863,999</b>                   | <b>1,345,703</b>    | <b>2,086,235</b> | <b>2,685,789</b>  | <b>2,625,284</b>                 |
| Under \$25,000 (including deficits) | 42,148                           | 59,848              | 120,767          | 322,722           | 320,587                          |
| \$25,000 under \$50,000             | 89,730                           | 132,696             | 208,711          | 126,471           | 126,471                          |
| \$50,000 under \$75,000             | 136,248                          | 215,691             | 292,572          | 175,638           | 175,633                          |
| \$75,000 under \$100,000            | 144,687                          | 221,163             | 212,416          | 152,992           | 152,992                          |
| \$100,000 under \$200,000           | 294,612                          | 477,125             | 549,202          | 362,455           | 361,032                          |
| \$200,000 under \$500,000           | 113,284                          | 170,010             | 269,701          | 263,677           | 263,332                          |
| \$500,000 under \$1,000,000         | 24,926                           | 37,185              | 135,282          | 165,094           | 146,536                          |
| \$1,000,000 under \$1,500,000       | 6,911                            | 13,270              | 40,586           | 94,180            | 88,640                           |
| \$1,500,000 under \$2,000,000       | 3,276                            | 4,718               | 51,472           | 58,931            | 58,194                           |
| \$2,000,000 under \$5,000,000       | 5,188                            | 8,429               | 76,781           | 218,770           | 207,756                          |
| \$5,000,000 under \$10,000,000      | 1,551                            | 2,694               | 51,544           | 144,669           | 130,466                          |
| \$10,000,000 or more                | 1,437                            | 2,875               | 77,200           | 600,190           | 593,647                          |

\* Estimates should be used with caution because of the small number of sample returns on which they are based.

[1] Not every donation has a donor cost reported.

[2] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or the amount claimed on Section B (items with a deduction of more than \$5,000).

[3] Other donations includes intellectual property, services, airline tickets and miles, and other donations.

# Individual Noncash Contributions, 2008

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**Table 2a. Individual Noncash Charitable Contributions: All Donee Organizations, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | All donee organizations |                     |                   |                   |                                  |
|-------------------------------------|-------------------------|---------------------|-------------------|-------------------|----------------------------------|
|                                     | Number of returns       | Number of donations | Donor's cost [1]  | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                     | (2)                 | (3)               | (4)               | (5)                              |
| <b>All returns</b>                  | <b>7,017,933</b>        | <b>19,478,520</b>   | <b>36,117,384</b> | <b>39,358,995</b> | <b>34,597,290</b>                |
| Under \$25,000 (including deficits) | 296,679                 | 679,561             | 1,732,432         | 1,465,577         | 1,366,902                        |
| \$25,000 under \$50,000             | 825,349                 | 1,855,511           | 3,303,562         | 1,599,967         | 1,592,078                        |
| \$50,000 under \$75,000             | 1,176,946               | 2,895,006           | 4,304,475         | 2,616,828         | 2,184,527                        |
| \$75,000 under \$100,000            | 1,209,981               | 3,229,250           | 4,715,340         | 2,513,935         | 2,511,105                        |
| \$100,000 under \$200,000           | 2,475,689               | 7,577,436           | 10,743,702        | 5,720,390         | 5,676,972                        |
| \$200,000 under \$500,000           | 817,491                 | 2,594,774           | 5,781,697         | 4,381,317         | 3,796,783                        |
| \$500,000 under \$1,000,000         | 136,002                 | 403,077             | 1,572,677         | 2,528,269         | 2,120,916                        |
| \$1,000,000 under \$1,500,000       | 34,514                  | 104,017             | 669,675           | 1,713,039         | 1,265,625                        |
| \$1,500,000 under \$2,000,000       | 14,319                  | 41,200              | 304,117           | 902,651           | 797,369                          |
| \$2,000,000 under \$5,000,000       | 21,100                  | 64,798              | 839,489           | 3,413,937         | 2,253,462                        |
| \$5,000,000 under \$10,000,000      | 5,616                   | 18,307              | 540,970           | 2,519,799         | 1,802,489                        |
| \$10,000,000 or more                | 4,249                   | 15,583              | 1,609,247         | 9,983,286         | 9,229,061                        |

Footnotes at end of table 2k.

**Table 2b. Individual Noncash Charitable Contributions: Donee Organizations (Arts, Culture, and Humanities), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Arts, culture, and humanities |                     |                  |                   |                                  |
|-------------------------------------|-------------------------------|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns             | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                           | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>258,253</b>                | <b>356,523</b>      | <b>638,634</b>   | <b>1,714,305</b>  | <b>1,584,915</b>                 |
| Under \$25,000 (including deficits) | 11,380                        | 12,967              | 46,711           | 90,753            | 79,901                           |
| \$25,000 under \$50,000             | 17,888                        | 24,176              | 13,075           | 11,969            | 11,969                           |
| \$50,000 under \$75,000             | 35,525                        | 49,076              | 46,684           | 32,272            | 32,272                           |
| \$75,000 under \$100,000            | 41,526                        | 52,163              | 21,086           | 14,641            | 14,641                           |
| \$100,000 under \$200,000           | 96,879                        | 140,043             | 200,987          | 409,850           | 409,420                          |
| \$200,000 under \$500,000           | 39,682                        | 54,047              | 73,476           | 108,441           | 105,715                          |
| \$500,000 under \$1,000,000         | 8,512                         | 11,931              | 27,467           | 54,374            | 53,763                           |
| \$1,000,000 under \$1,500,000       | 2,643                         | 4,073               | 58,612           | 80,781            | 79,535                           |
| \$1,500,000 under \$2,000,000       | 1,234                         | 2,254               | 46,797           | 55,616            | 42,320                           |
| \$2,000,000 under \$5,000,000       | 1,896                         | 3,624               | 33,933           | 184,556           | 159,918                          |
| \$5,000,000 under \$10,000,000      | 561                           | 1,084               | 21,090           | 165,812           | 111,980                          |
| \$10,000,000 or more                | 527                           | 1,086               | 48,716           | 505,240           | 483,480                          |

Footnotes at end of table 2k.

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**Table 2c. Individual Noncash Charitable Contributions: Donee Organizations (Educational Institutions), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Educational institutions |                     |                  |                   |                                  |
|-------------------------------------|--------------------------|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns        | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                      | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>388,563</b>           | <b>600,703</b>      | <b>1,361,944</b> | <b>3,555,515</b>  | <b>3,090,630</b>                 |
| Under \$25,000 (including deficits) | 14,281                   | 20,208              | 57,795           | 81,637            | 80,818                           |
| \$25,000 under \$50,000             | 35,667                   | 56,554              | 78,202           | 36,731            | 36,731                           |
| \$50,000 under \$75,000             | 56,448                   | 79,869              | 53,579           | 47,126            | 47,126                           |
| \$75,000 under \$100,000            | 43,942                   | 59,563              | 65,977           | 61,025            | 61,024                           |
| \$100,000 under \$200,000           | 146,379                  | 237,547             | 329,040          | 272,808           | 258,124                          |
| \$200,000 under \$500,000           | 65,543                   | 99,651              | 214,494          | 393,544           | 308,241                          |
| \$500,000 under \$1,000,000         | 13,367                   | 23,002              | 120,729          | 367,031           | 365,451                          |
| \$1,000,000 under \$1,500,000       | 4,577                    | 8,135               | 32,238           | 512,858           | 442,183                          |
| \$1,500,000 under \$2,000,000       | 2,184                    | 3,825               | 27,655           | 143,150           | 121,451                          |
| \$2,000,000 under \$5,000,000       | 3,739                    | 7,165               | 117,112          | 499,215           | 300,558                          |
| \$5,000,000 under \$10,000,000      | 1,299                    | 2,611               | 63,603           | 309,999           | 267,068                          |
| \$10,000,000 or more                | 1,137                    | 2,573               | 201,521          | 830,392           | 801,855                          |

Footnotes at end of table 2k.

**Table 2d. Individual Noncash Charitable Contributions: Donee Organizations (Environmental and Animal-Related Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Environment and animal-related organizations |                     |                  |                   |                                  |
|-------------------------------------|--|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns                            | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)  | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>130,212</b>                               | <b>199,901</b>      | <b>737,839</b>   | <b>3,046,110</b>  | <b>1,732,439</b>                 |
| Under \$25,000 (including deficits) | 8,534  | 9,852               | 54,665           | 38,153            | 21,898                           |
| \$25,000 under \$50,000             | 10,341                                       | 15,714              | 8,683            | 8,122             | 7,896                            |
| \$50,000 under \$75,000             | 15,969                                       | 20,175              | 18,459           | 9,722             | 9,722                            |
| \$75,000 under \$100,000            | 16,420                                       | 18,178              | 7,272            | 173,763           | 173,763                          |
| \$100,000 under \$200,000           | 52,814                                       | 104,946             | 97,027           | 174,900           | 170,500                          |
| \$200,000 under \$500,000           | 18,845                                       | 21,011              | 80,224           | 354,234           | 329,513                          |
| \$500,000 under \$1,000,000         | 3,802  | 5,038               | 105,621          | 224,808           | 199,588                          |
| \$1,000,000 under \$1,500,000       | 1,236  | 1,852               | 31,905           | 197,044           | 101,679                          |
| \$1,500,000 under \$2,000,000       | 624  | 833                 | 37,120           | 58,587            | 46,649                           |
| \$2,000,000 under \$5,000,000       | 1,008  | 1,379               | 96,439           | 924,775           | 229,169                          |
| \$5,000,000 under \$10,000,000      | 323  | 453                 | 85,784           | 388,176           | 156,033                          |
| \$10,000,000 or more                | 297  | 470                 | 114,640          | 493,828           | 286,028                          |

Footnotes at end of table 2k.

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**Table 2e. Individual Noncash Charitable Contributions: Donee Organizations (Health and Medical Research), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Health and medical research |                     |                  |                   |                                  |
|-------------------------------------|-----------------------------|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns           | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                         | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>817,481</b>              | <b>1,349,903</b>    | <b>2,269,528</b> | <b>1,366,384</b>  | <b>1,247,090</b>                 |
| Under \$25,000 (including deficits) | 29,168                      | 44,188              | 96,761           | 41,681            | 40,854                           |
| \$25,000 under \$50,000             | 79,248                      | 126,237             | 196,411          | 81,093            | 81,093                           |
| \$50,000 under \$75,000             | 129,668                     | 201,658             | 301,604          | 118,952           | 118,952                          |
| \$75,000 under \$100,000            | 136,815                     | 236,901             | 350,952          | 142,275           | 142,275                          |
| \$100,000 under \$200,000           | 306,353                     | 513,963             | 792,891          | 317,552           | 316,150                          |
| \$200,000 under \$500,000           | 108,578                     | 184,003             | 310,409          | 149,877           | 146,534                          |
| \$500,000 under \$1,000,000         | 18,000                      | 27,747              | 86,314           | 59,489            | 59,460                           |
| \$1,000,000 under \$1,500,000       | 3,857                       | 6,087               | 39,092           | 47,818            | 44,680                           |
| \$1,500,000 under \$2,000,000       | 1,804                       | 2,748               | 9,067            | 12,396            | 12,082                           |
| \$2,000,000 under \$5,000,000       | 2,755                       | 4,247               | 31,083           | 86,517            | 66,926                           |
| \$5,000,000 under \$10,000,000      | 678                         | 1,118               | 18,667           | 82,271            | 46,292                           |
| \$10,000,000 or more                | 557                         | 1,006               | 36,277           | 226,462           | 171,792                          |

Footnotes at end of table 2k.

**Table 2f. Individual Noncash Charitable Contributions: Donee Organizations (Large Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Large organizations |                     |                   |                   |                                  |
|-------------------------------------|---------------------|---------------------|-------------------|-------------------|----------------------------------|
|                                     | Number of returns   | Number of donations | Donor's cost [1]  | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                 | (2)                 | (3)               | (4)               | (5)                              |
| <b>All returns</b>                  | <b>5,335,476</b>    | <b>11,768,127</b>   | <b>19,282,825</b> | <b>9,080,038</b>  | <b>8,637,960</b>                 |
| Under \$25,000 (including deficits) | 205,000             | 386,186             | 782,134           | 364,038           | 363,467                          |
| \$25,000 under \$50,000             | 622,461             | 1,139,574           | 2,175,154         | 1,021,064         | 1,019,935                        |
| \$50,000 under \$75,000             | 893,276             | 1,779,543           | 2,677,940         | 1,318,396         | 1,318,233                        |
| \$75,000 under \$100,000            | 920,641             | 1,971,586           | 3,026,823         | 1,351,391         | 1,351,388                        |
| \$100,000 under \$200,000           | 1,931,418           | 4,659,500           | 6,596,823         | 2,966,715         | 2,966,675                        |
| \$200,000 under \$500,000           | 623,715             | 1,537,795           | 3,104,200         | 1,499,332         | 1,153,917                        |
| \$500,000 under \$1,000,000         | 94,010              | 202,649             | 582,038           | 307,431           | 232,775                          |
| \$1,000,000 under \$1,500,000       | 21,786              | 45,913              | 150,797           | 70,939            | 70,939                           |
| \$1,500,000 under \$2,000,000       | 8,311               | 16,250              | 55,681            | 26,488            | 24,197                           |
| \$2,000,000 under \$5,000,000       | 11,144              | 22,208              | 91,209            | 50,774            | 46,648                           |
| \$5,000,000 under \$10,000,000      | 2,386               | 4,554               | 20,642            | 19,121            | 18,962                           |
| \$10,000,000 or more                | 1,328               | 2,368               | 19,385            | 84,350            | 70,824                           |

Footnotes at end of table 2k.

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**Table 2g. Individual Noncash Charitable Contributions: Donee Organizations (Public and Societal Benefit), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Public and societal benefit |                     |                  |                   |                                  |
|-------------------------------------|-----------------------------|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns           | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                         | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>1,483,142</b>            | <b>2,524,099</b>    | <b>4,779,314</b> | <b>3,583,040</b>  | <b>2,977,780</b>                 |
| Under \$25,000 (including deficits) | 63,344                      | 101,841             | 270,457          | 285,266           | 237,833                          |
| \$25,000 under \$50,000             | 138,344                     | 212,679             | 342,327          | 166,768           | 166,768                          |
| \$50,000 under \$75,000             | 238,061                     | 396,440             | 629,954          | 260,970           | 260,970                          |
| \$75,000 under \$100,000            | 256,843                     | 434,521             | 608,984          | 343,962           | 343,960                          |
| \$100,000 under \$200,000           | 535,802                     | 941,683             | 1,446,938        | 642,070           | 636,322                          |
| \$200,000 under \$500,000           | 196,865                     | 344,154             | 837,041          | 558,481           | 457,040                          |
| \$500,000 under \$1,000,000         | 33,562                      | 59,500              | 247,045          | 216,676           | 192,468                          |
| \$1,000,000 under \$1,500,000       | 8,920                       | 13,634              | 156,517          | 308,586           | 117,266                          |
| \$1,500,000 under \$2,000,000       | 3,675                       | 5,927               | 33,358           | 99,473            | 55,706                           |
| \$2,000,000 under \$5,000,000       | 5,388                       | 9,582               | 94,780           | 271,956           | 206,141                          |
| \$5,000,000 under \$10,000,000      | 1,369                       | 2,349               | 46,065           | 160,261           | 99,947                           |
| \$10,000,000 or more                | 969                         | 1,788               | 65,848           | 268,572           | 203,360                          |

Footnotes at end of table 2k.

**Table 2h. Individual Noncash Charitable Contributions: Donee Organizations (Religious Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Religious organizations |                     |                  |                   |                                  |
|-------------------------------------|-------------------------|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns       | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                     | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>1,118,419</b>        | <b>1,895,631</b>    | <b>3,192,615</b> | <b>3,586,873</b>  | <b>3,019,787</b>                 |
| Under \$25,000 (including deficits) | 46,579                  | 78,424              | 262,258          | 182,052           | 171,946                          |
| \$25,000 under \$50,000             | 118,050                 | 179,714             | 287,617          | 124,278           | 118,930                          |
| \$50,000 under \$75,000             | 172,583                 | 253,146             | 402,796          | 735,612           | 303,669                          |
| \$75,000 under \$100,000            | 201,214                 | 351,799             | 449,933          | 286,932           | 286,932                          |
| \$100,000 under \$200,000           | 395,437                 | 717,059             | 890,370          | 595,768           | 586,380                          |
| \$200,000 under \$500,000           | 144,177                 | 244,602             | 498,857          | 429,598           | 422,497                          |
| \$500,000 under \$1,000,000         | 24,987                  | 42,182              | 206,574          | 438,576           | 416,725                          |
| \$1,000,000 under \$1,500,000       | 6,928                   | 14,342              | 49,157           | 110,268           | 84,734                           |
| \$1,500,000 under \$2,000,000       | 2,797                   | 4,620               | 26,773           | 113,863           | 106,643                          |
| \$2,000,000 under \$5,000,000       | 3,962                   | 6,645               | 63,796           | 221,511           | 191,565                          |
| \$5,000,000 under \$10,000,000      | 1,026                   | 1,834               | 26,769           | 109,416           | 96,466                           |
| \$10,000,000 or more                | 680                     | 1,264               | 27,717           | 238,997           | 233,299                          |

Footnotes at end of table 2k.

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**Table 2i. Individual Noncash Charitable Contributions: Donee Organizations (Donor-Advised Funds), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Donor-advised funds |                     |                  |                   |                                  |
|-------------------------------------|---------------------|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns   | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                 | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>22,656</b>       | <b>37,644</b>       | <b>545,177</b>   | <b>1,800,987</b>  | <b>1,593,053</b>                 |
| Under \$25,000 (including deficits) | 222                 | 325                 | 14,632           | 29,007            | 26,728                           |
| \$25,000 under \$50,000             | * 2,851             | * 3,827             | * 5,479          | * 30,038          | * 30,038                         |
| \$50,000 under \$75,000             | * 2,045             | * 2,054             | * 1,174          | * 904             | * 904                            |
| \$75,000 under \$100,000            | 1,152               | 2,164               | 1,149            | 1,738             | 1,738                            |
| \$100,000 under \$200,000           | 7,545               | 14,808              | 16,775           | 89,908            | 89,892                           |
| \$200,000 under \$500,000           | 4,537               | 6,372               | 25,624           | 98,374            | 98,374                           |
| \$500,000 under \$1,000,000         | 1,484               | 2,906               | 8,262            | 82,119            | 82,119                           |
| \$1,000,000 under \$1,500,000       | 741                 | 1,345               | 20,219           | 85,312            | 67,284                           |
| \$1,500,000 under \$2,000,000       | 577                 | 965                 | 11,251           | 40,298            | 40,298                           |
| \$2,000,000 under \$5,000,000       | 879                 | 1,606               | 58,451           | 193,458           | 185,177                          |
| \$5,000,000 under \$10,000,000      | 326                 | 569                 | 57,137           | 309,068           | 151,835                          |
| \$10,000,000 or more                | 299                 | 706                 | 325,024          | 840,762           | 818,666                          |

Footnotes at end of table 2k.

**Table 2j. Individual Noncash Charitable Contributions: Donee Organizations (Foundations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Foundations       |                     |                  |                   |                                  |
|-------------------------------------|-------------------|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)               | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>105,867</b>    | <b>177,252</b>      | <b>1,672,525</b> | <b>8,589,046</b>  | <b>8,063,904</b>                 |
| Under \$25,000 (including deficits) | 2,856             | 5,336               | 57,584           | 209,677           | 209,535                          |
| \$25,000 under \$50,000             | 10,571            | 27,224              | 47,788           | 18,601            | 18,601                           |
| \$50,000 under \$75,000             | 11,095            | 13,428              | 13,895           | 12,197            | 12,008                           |
| \$75,000 under \$100,000            | 14,951            | 17,990              | 29,304           | 27,540            | 27,540                           |
| \$100,000 under \$200,000           | 37,041            | 64,853              | 102,242          | 94,692            | 93,194                           |
| \$200,000 under \$500,000           | 17,660            | 25,801              | 234,526          | 367,510           | 361,320                          |
| \$500,000 under \$1,000,000         | 5,347             | 9,980               | 91,862           | 256,321           | 205,552                          |
| \$1,000,000 under \$1,500,000       | 1,743             | 3,489               | 79,881           | 198,204           | 164,407                          |
| \$1,500,000 under \$2,000,000       | 912               | 1,345               | 28,022           | 266,385           | 264,846                          |
| \$2,000,000 under \$5,000,000       | 1,890             | 3,487               | 128,351          | 597,129           | 520,935                          |
| \$5,000,000 under \$10,000,000      | 824               | 1,959               | 149,105          | 763,953           | 687,079                          |
| \$10,000,000 or more                | 978               | 2,359               | 709,968          | 5,776,836         | 5,498,887                        |

Footnotes at end of table 2k.

# Individual Noncash Contributions, 2008

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**Table 2k. Individual Noncash Charitable Contributions: Donee Organizations (Other), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008**

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

| Size of adjusted gross income       | Other donee organizations |                     |                  |                   |                                  |
|-------------------------------------|---------------------------|---------------------|------------------|-------------------|----------------------------------|
|                                     | Number of returns         | Number of donations | Donor's cost [1] | Fair market value | Amount carried to Schedule A [2] |
|                                     | (1)                       | (2)                 | (3)              | (4)               | (5)                              |
| <b>All returns</b>                  | <b>431,706</b>            | <b>568,739</b>      | <b>1,636,983</b> | <b>3,036,697</b>  | <b>2,649,732</b>                 |
| Under \$25,000 (including deficits) | 17,571                    | 20,233              | 89,435           | 143,313           | 133,921                          |
| \$25,000 under \$50,000             | 54,350                    | 69,813              | 148,826          | 101,303           | 100,118                          |
| \$50,000 under \$75,000             | 75,234                    | 99,617              | 158,390          | 80,676            | 80,670                           |
| \$75,000 under \$100,000            | 66,858                    | 84,386              | 153,861          | 110,669           | 107,846                          |
| \$100,000 under \$200,000           | 134,725                   | 183,034             | 270,609          | 156,127           | 150,315                          |
| \$200,000 under \$500,000           | 58,030                    | 77,338              | 402,848          | 421,926           | 413,632                          |
| \$500,000 under \$1,000,000         | 13,541                    | 18,141              | 96,765           | 521,444           | 313,014                          |
| \$1,000,000 under \$1,500,000       | 4,027                     | 5,147               | 51,257           | 101,227           | 92,918                           |
| \$1,500,000 under \$2,000,000       | 1,784                     | 2,434               | 28,393           | 86,394            | 83,177                           |
| \$2,000,000 under \$5,000,000       | 3,353                     | 4,856               | 124,337          | 384,048           | 346,424                          |
| \$5,000,000 under \$10,000,000      | 1,139                     | 1,777               | 52,108           | 211,721           | 166,828                          |
| \$10,000,000 or more                | 1,094                     | 1,963               | 60,153           | 717,848           | 660,870                          |

\* Estimates should be used with caution because of the small number of sample returns on which they are based.

[1] Not every donation has a donor cost reported.

[2] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

# Individual Noncash Contributions, 2008

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**Table 3. Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Types and Donee Types, Form 8283, Tax Year 2008**

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

| Type of donation                                     | All donees          |                                  | Arts, culture, and humanities |                                  | Educational institutions |
|--|---------------------|----------------------------------|-------------------------------|----------------------------------|--------------------------|
|  | Number of donations | Amount carried to Schedule A [1] | Number of donations           | Amount carried to Schedule A [1] | Number of donations      |
|  | (1)                 | (2)                              | (3)                           | (4)                              | (5)                      |
| <b>All donations</b>                                 | <b>19,478,520</b>   | <b>34,597,290</b>                | <b>356,523</b>                | <b>1,584,915</b>                 | <b>600,703</b>           |
| Corporate stock, mutual funds, and other investments | 282,340             | 14,865,203                       | 16,456                        | 667,170                          | 60,899                   |
| Real estate and easements                            | 24,009              | 3,561,485                        | 60                            | 41,841                           | 826                      |
| Art and collectibles                                 | 129,532             | 1,351,382                        | 21,699                        | 728,406                          | 14,229                   |
| Food   | 377,958             | 116,550                          | 4,113                         | 1,118                            | 31,263                   |
| Clothing and accessories                             | 12,016,810          | 7,939,810                        | 75,989                        | 26,230                           | 198,034                  |
| Electronics  | 589,041             | 432,403                          | 8,843                         | 3,273                            | 21,052                   |
| Household items                                      | 4,441,990           | 3,131,977                        | 184,614                       | 71,152                           | 140,588                  |
| Cars and other vehicles                              | 271,136             | 573,197                          | 5,198                         | 16,540                           | 9,981                    |
| Other [2]  | 1,345,703           | 2,625,284                        | 39,552                        | 29,185                           | 123,831                  |

| Type of donation                                     | Educational institutions—continued | Environmental and animal-related organizations |                                  | Health and medical research |                                  |
|--|------------------------------------|--|----------------------------------|-----------------------------|----------------------------------|
|  | Amount carried to Schedule A [1]   | Number of donations                            | Amount carried to Schedule A [1] | Number of donations         | Amount carried to Schedule A [1] |
|  | (6)                                | (7)  | (8)                              | (9)                         | (10)                             |
| <b>All donations</b>                                 | <b>3,090,630</b>                   | <b>199,901</b>                                 | <b>1,732,439</b>                 | <b>1,349,903</b>            | <b>1,247,090</b>                 |
| Corporate stock, mutual funds, and other investments | 2,239,226                          | 14,033   | 179,742                          | 14,183                      | 342,952                          |
| Real estate and easements                            | 145,609                            | 5,047  | 1,440,651                        | 1,105                       | 77,603                           |
| Art and collectibles                                 | 202,790                            | 6,088  | 12,671                           | 14,332                      | 32,979                           |
| Food   | 7,296                              | 2,893  | 506                              | 12,290                      | 8,083                            |
| Clothing and accessories                             | 114,206                            | 68,579   | 22,672                           | 863,604                     | 474,117                          |
| Electronics  | 20,671                             | 6,167  | 6,420                            | 34,435                      | 23,982                           |
| Household items                                      | 72,668                             | 59,264   | 22,597                           | 270,027                     | 168,637                          |
| Cars and other vehicles                              | 95,520                             | 5,760  | 19,100                           | 41,950                      | 42,278                           |
| Other [2]  | 192,644                            | 32,069   | 28,081                           | 97,976                      | 76,461                           |

| Type of donation                                     | Large organizations |                                  | Public and societal benefit |                                  | Religious organizations |
|--|---------------------|----------------------------------|-----------------------------|----------------------------------|-------------------------|
|  | Number of donations | Amount carried to Schedule A [1] | Number of donations         | Amount carried to Schedule A [1] | Number of donations     |
|  | (11)                | (12)                             | (13)                        | (14)                             | (15)                    |
| <b>All donations</b>                                 | <b>11,768,127</b>   | <b>8,637,960</b>                 | <b>2,524,099</b>            | <b>2,977,780</b>                 | <b>1,895,631</b>        |
| Corporate stock, mutual funds, and other investments | 14,571              | 180,653                          | 16,928                      | 488,591                          | 76,145                  |
| Real estate and easements                            | 3,535               | 96,195                           | 5,309                       | 561,499                          | 4,793                   |
| Art and collectibles                                 | 21,161              | 70,391                           | 23,549                      | 41,866                           | 16,307                  |
| Food   | 48,868              | 9,462                            | 127,611                     | 44,728                           | 114,979                 |
| Clothing and accessories                             | 8,180,651           | 5,569,224                        | 1,413,586                   | 875,887                          | 941,037                 |
| Electronics  | 342,307             | 245,887                          | 94,925                      | 63,563                           | 66,145                  |
| Household items                                      | 2,632,365           | 1,990,545                        | 585,492                     | 403,404                          | 441,695                 |
| Cars and other vehicles                              | 60,423              | 83,032                           | 81,043                      | 149,071                          | 38,218                  |
| Other [2]  | 464,247             | 392,570                          | 175,656                     | 349,171                          | 196,310                 |

Footnotes at end of table.

# Individual Noncash Contributions, 2008

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**Table 3. Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Types and Donee Types, Form 8283, Tax Year 2008—Continued**

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

| Type of donation                                     | Religious organizations—<br>continued | Foundations            |                                     | Other donees [3]       |                                     |
|--|---------------------------------------|------------------------|-------------------------------------|------------------------|-------------------------------------|
|  | Amount carried to<br>Schedule A [1]   | Number of<br>donations | Amount carried to<br>Schedule A [1] | Number of<br>donations | Amount carried to<br>Schedule A [1] |
|  | (16)                                  | (17)                   | (18)                                | (19)                   | (20)                                |
| <b>All donations</b>                                 | <b>3,019,787</b>                      | <b>177,252</b>         | <b>8,063,904</b>                    | <b>606,383</b>         | <b>4,242,786</b>                    |
| Corporate stock, mutual funds, and other investments | 1,218,127                             | 33,593                 | 7,386,647                           | 35,533                 | 2,162,097                           |
| Real estate and easements                            | 424,645                               | 434                    | 200,490                             | 2,900                  | 572,951                             |
| Art and collectibles                                 | 65,516                                | 3,696                  | 137,130                             | 8,470                  | 59,633                              |
| Food   | 30,877                                | 4,585                  | 2,506                               | 31,357                 | 11,974                              |
| Clothing and accessories                             | 646,455                               | 70,916                 | 36,374                              | 204,413                | 174,644                             |
| Electronics  | 52,137                                | 4,884                  | 2,108                               | 10,283                 | 14,363                              |
| Household items                                      | 285,540                               | 30,035                 | 16,332                              | 97,910                 | 101,102                             |
| Cars and other vehicles                              | 63,306                                | 9,751                  | 34,077                              | 18,812                 | 70,274                              |
| Other [2]  | 233,185                               | 19,357                 | 248,241                             | 196,704                | 1,075,748                           |

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

[2] Other donations includes intellectual property, services, airline tickets and miles, and other donations.

[3] Other donees includes donor-advised funds.

# Individual Noncash Contributions, 2008

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**Table 4. Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Types and Donor Age, Form 8283, Tax Year 2008**

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

| Donor age       | Total  |                     |                   |                                  |  |                                       |   |  |
|-----------------|--|---------------------|-------------------|----------------------------------|--|---------------------------------------|---|--|
|                 | Number of returns                                    | Number of donations | Fair market value | Amount carried to Schedule A [1] | Number of returns with contributions on Schedule A | Amount of contributions on Schedule A | Number of returns with cash contributions on Schedule A | Amount of cash contributions on Schedule A |
|                 | (1)  | (2)                 | (3)               | (4)                              | (5)  | (6)                                   | (7)   | (8)  |
| <b>All ages</b> | <b>7,017,933</b>                                     | <b>19,478,520</b>   | <b>39,358,995</b> | <b>34,597,290</b>                | <b>6,989,003</b>                                   | <b>34,326,876</b>                     | <b>6,079,976</b>  | <b>32,086,451</b>                          |
| Under 35        | 755,997  | 1,585,829           | 2,196,797         | 2,146,802                        | 752,821  | 2,139,265                             | 568,118   | 2,995,539                                  |
| 35 under 45     | 1,744,011  | 4,557,279           | 4,393,032         | 4,138,123                        | 1,738,290  | 4,130,905                             | 1,443,093   | 4,422,598                                  |
| 45 under 55     | 2,026,075  | 5,715,377           | 9,128,702         | 7,519,928                        | 2,018,726  | 7,469,908                             | 1,778,318   | 8,304,632                                  |
| 55 under 65     | 1,536,299  | 4,826,510           | 8,442,631         | 6,800,937                        | 1,530,001  | 6,765,876                             | 1,392,454   | 7,190,363                                  |
| 65 and older    | 955,551  | 2,793,525           | 15,197,833        | 13,991,499                       | 949,164  | 13,820,922                            | 897,993   | 9,173,318                                  |
| Donor age       | Corporate stock, mutual funds, and other investments |                     |                   |                                  | Real estate and easements                          |                                       |   |  |
|                 | Number of returns                                    | Number of donations | Fair market value | Amount carried to Schedule A [1] | Number of returns                                  | Number of donations                   | Fair market value                                       | Amount carried to Schedule A [1]           |
|                 | (9)  | (10)                | (11)              | (12)                             | (13)   | (14)                                  | (15)  | (16)                                       |
| <b>All ages</b> | <b>131,646</b>                                       | <b>282,340</b>      | <b>15,696,625</b> | <b>14,865,203</b>                | <b>22,720</b>                                      | <b>24,009</b>                         | <b>7,218,445</b>  | <b>3,561,485</b>                           |
| Under 35        | 1,384  | 4,220               | 574,619           | 583,443                          | 1,826  | 1,845                                 | 126,329   | 73,889                                     |
| 35 under 45     | 7,531  | 18,407              | 602,348           | 588,295                          | 3,245  | 3,398                                 | 467,704   | 242,088                                    |
| 45 under 55     | 27,681   | 61,508              | 2,398,285         | 2,183,351                        | 2,839  | 3,528                                 | 2,296,308   | 960,766                                    |
| 55 under 65     | 34,637   | 64,872              | 2,610,967         | 2,287,849                        | 7,638  | 7,797                                 | 2,221,769   | 900,722                                    |
| 65 and older    | 60,414   | 133,332             | 9,510,407         | 9,222,264                        | 7,171  | 7,441                                 | 2,106,335   | 1,384,020                                  |
| Donor age       | Art and collectibles                                 |                     |                   |                                  | Food   |                                       |   |  |
|                 | Number of returns                                    | Number of donations | Fair market value | Amount carried to Schedule A [1] | Number of returns                                  | Number of donations                   | Fair market value                                       | Amount carried to Schedule A [1]           |
|                 | (17)   | (18)                | (19)              | (20)                             | (21)   | (22)                                  | (23)  | (24)                                       |
| <b>All ages</b> | <b>92,518</b>  | <b>129,532</b>      | <b>1,510,754</b>  | <b>1,351,382</b>                 | <b>233,128</b>                                     | <b>377,958</b>                        | <b>120,845</b>  | <b>116,550</b>                             |
| Under 35        | 1,867  | 2,205               | 43,503            | 42,368                           | 13,061   | 24,316                                | 4,696   | 4,696                                      |
| 35 under 45     | 13,996   | 17,505              | 40,841            | 38,856                           | 41,407   | 58,869                                | 15,074  | 15,074                                     |
| 45 under 55     | 15,661   | 22,463              | 138,579           | 118,832                          | 64,631   | 106,092                               | 30,813  | 29,788                                     |
| 55 under 65     | 27,245   | 37,797              | 307,716           | 319,011                          | 67,473   | 128,034                               | 37,637  | 35,658                                     |
| 65 and older    | 33,750   | 49,562              | 980,115           | 832,314                          | 46,557   | 60,647                                | 32,624  | 31,333                                     |
| Donor age       | Clothing and accessories                             |                     |                   |                                  | Electronics  |                                       |   |  |
|                 | Number of returns                                    | Number of donations | Fair market value | Amount carried to Schedule A [1] | Number of returns                                  | Number of donations                   | Fair market value                                       | Amount carried to Schedule A [1]           |
|                 | (25)   | (26)                | (27)              | (28)                             | (29)   | (30)                                  | (31)  | (32)                                       |
| <b>All ages</b> | <b>5,475,014</b>                                     | <b>12,016,810</b>   | <b>7,940,324</b>  | <b>7,939,810</b>                 | <b>467,925</b>                                     | <b>589,041</b>                        | <b>432,220</b>  | <b>432,403</b>                             |
| Under 35        | 585,878  | 1,061,699           | 855,976           | 855,976                          | 34,242   | 39,813                                | 45,121  | 45,121                                     |
| 35 under 45     | 1,398,822  | 3,045,795           | 2,048,735         | 2,048,735                        | 102,725  | 122,568                               | 101,848   | 102,478                                    |
| 45 under 55     | 1,622,493  | 3,664,360           | 2,373,792         | 2,373,314                        | 147,857  | 200,170                               | 157,024   | 156,576                                    |
| 55 under 65     | 1,192,374  | 2,804,166           | 1,684,420         | 1,684,389                        | 106,537  | 135,950                               | 74,706  | 74,706                                     |
| 65 and older    | 675,447  | 1,440,790           | 977,401           | 977,395                          | 76,563   | 90,540                                | 53,522  | 53,522                                     |

Footnotes at end of table.

# Individual Noncash Contributions, 2008

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**Table 4. Individual Noncash Charitable Contributions: All Returns with Donations, by Donations Types and Donor Age, Form 8283, Tax Year 2008—Continued**

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

| Donor age       | Household items   |                     |                   |                                  | Cars and other vehicles |                     |                   |                                  |
|-----------------|-------------------|---------------------|-------------------|----------------------------------|-------------------------|---------------------|-------------------|----------------------------------|
|                 | Number of returns | Number of donations | Fair market value | Amount carried to Schedule A [1] | Number of returns       | Number of donations | Fair market value | Amount carried to Schedule A [1] |
|                 | (33)              | (34)                | (35)              | (36)                             | (37)                    | (38)                | (39)              | (40)                             |
| <b>All ages</b> | <b>2,435,153</b>  | <b>4,441,990</b>    | <b>3,140,717</b>  | <b>3,131,977</b>                 | <b>255,229</b>          | <b>271,136</b>      | <b>613,276</b>    | <b>573,197</b>                   |
| Under 35        | 214,734           | 326,615             | 356,817           | 351,573                          | 19,684                  | 20,660              | 34,347            | 34,347                           |
| 35 under 45     | 574,003           | 1,009,817           | 734,408           | 731,701                          | 46,899                  | 47,861              | 106,620           | 104,033                          |
| 45 under 55     | 694,794           | 1,209,009           | 930,247           | 930,185                          | 81,825                  | 87,981              | 159,257           | 144,926                          |
| 55 under 65     | 586,063           | 1,194,247           | 672,558           | 672,521                          | 62,891                  | 66,798              | 103,541           | 102,314                          |
| 65 and older    | 365,559           | 702,302             | 446,687           | 445,996                          | 43,929                  | 47,836              | 209,511           | 187,578                          |

| Donor age       | Other [2]         |                     |                   |                                  |
|-----------------|-------------------|---------------------|-------------------|----------------------------------|
|                 | Number of returns | Number of donations | Fair market value | Amount carried to Schedule A [1] |
|                 | (41)              | (42)                | (43)              | (44)                             |
| <b>All ages</b> | <b>863,999</b>    | <b>1,345,703</b>    | <b>2,685,789</b>  | <b>2,625,284</b>                 |
| Under 35        | 66,770            | 104,456             | 155,388           | 155,388                          |
| 35 under 45     | 169,364           | 233,059             | 275,455           | 266,863                          |
| 45 under 55     | 238,401           | 360,264             | 644,397           | 622,189                          |
| 55 under 65     | 232,755           | 386,849             | 729,318           | 723,766                          |
| 65 and older    | 156,710           | 261,074             | 881,231           | 857,078                          |

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

[2] Other donations includes intellectual property, services, airline tickets and miles, and other donations.

# Individual Noncash Contributions, 2008

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**Table 5. Individual Noncash Charitable Contributions: All Donations Made to Donee Organizations, by Donor Age, Form 8283, Tax Year 2008**

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

| Donor age       | All returns                                    |                     |                   |                                  |  |                                       |   |  |
|-----------------|--|---------------------|-------------------|----------------------------------|--|---------------------------------------|---|--|
|                 | Number of returns                              | Number of donations | Fair market value | Amount carried to Schedule A [1] | Number of returns with contributions on Schedule A | Amount of contributions on Schedule A | Number of returns with cash contributions on Schedule A | Amount of cash contributions on Schedule A |
|                 | (1)  | (2)                 | (3)               | (4)                              | (5)  | (6)                                   | (7)   | (8)  |
| <b>All ages</b> | <b>7,017,933</b>                               | <b>19,478,520</b>   | <b>39,358,995</b> | <b>34,597,290</b>                | <b>6,989,003</b>                                   | <b>34,326,876</b>                     | <b>6,079,976</b>  | <b>32,086,451</b>                          |
| Under 35        | 755,997  | 1,585,829           | 2,196,797         | 2,146,802                        | 752,821  | 2,139,265                             | 568,118   | 2,995,539                                  |
| 35 under 45     | 1,744,011                                      | 4,557,279           | 4,393,032         | 4,138,123                        | 1,738,290  | 4,130,905                             | 1,443,093   | 4,422,598                                  |
| 45 under 55     | 2,026,075                                      | 5,715,377           | 9,128,702         | 7,519,928                        | 2,018,726  | 7,469,908                             | 1,778,318   | 8,304,632                                  |
| 55 under 65     | 1,536,299                                      | 4,826,510           | 8,442,631         | 6,800,937                        | 1,530,001  | 6,765,876                             | 1,392,454   | 7,190,363                                  |
| 65 and older    | 955,551  | 2,793,525           | 15,197,833        | 13,991,499                       | 949,164  | 13,820,922                            | 897,993   | 9,173,318                                  |
| Donor age       | Arts, culture, and humanities                  |                     |                   |                                  | Educational institutions                           |                                       |   |  |
|                 | Number of returns                              | Number of donations | Fair market value | Amount carried to Schedule A [1] | Number of returns                                  | Number of donations                   | Fair market value                                       | Amount carried to Schedule A [1]           |
|                 | (9)  | (10)                | (11)              | (12)                             | (13)   | (14)                                  | (15)  | (16)                                       |
| <b>All ages</b> | <b>258,253</b>                                 | <b>356,523</b>      | <b>1,714,305</b>  | <b>1,584,915</b>                 | <b>388,563</b>                                     | <b>600,703</b>                        | <b>3,555,515</b>  | <b>3,090,630</b>                           |
| Under 35        | 7,416  | 9,002               | 165,722           | 159,158                          | 21,621   | 28,930                                | 88,476  | 95,096                                     |
| 35 under 45     | 28,495   | 34,616              | 32,072            | 30,089                           | 80,175   | 118,506                               | 145,655   | 137,595                                    |
| 45 under 55     | 62,038   | 81,577              | 151,018           | 136,380                          | 116,873  | 203,242                               | 660,704   | 558,721                                    |
| 55 under 65     | 73,405   | 106,819             | 159,470           | 173,502                          | 85,131   | 140,890                               | 871,985   | 587,804                                    |
| 65 and older    | 86,899   | 124,510             | 1,206,023         | 1,085,786                        | 84,763   | 109,134                               | 1,788,695   | 1,711,413                                  |
| Donor age       | Environmental and animal-related organizations |                     |                   |                                  | Health and medical research                        |                                       |   |  |
|                 | Number of returns                              | Number of donations | Fair market value | Amount carried to Schedule A [1] | Number of returns                                  | Number of donations                   | Fair market value                                       | Amount carried to Schedule A [1]           |
|                 | (17)   | (18)                | (19)              | (20)                             | (21)   | (22)                                  | (23)  | (24)                                       |
| <b>All ages</b> | <b>130,212</b>                                 | <b>199,901</b>      | <b>3,046,110</b>  | <b>1,732,439</b>                 | <b>817,481</b>                                     | <b>1,349,903</b>                      | <b>1,366,384</b>  | <b>1,247,090</b>                           |
| Under 35        | 11,989   | 12,019              | 33,041            | 31,846                           | 49,522   | 98,843                                | 73,585  | 73,585                                     |
| 35 under 45     | 24,944   | 25,613              | 284,386           | 142,352                          | 177,632  | 268,592                               | 196,913   | 196,769                                    |
| 45 under 55     | 33,135   | 45,729              | 988,735           | 322,254                          | 251,970  | 421,774                               | 274,012   | 273,905                                    |
| 55 under 65     | 35,363   | 81,754              | 765,682           | 466,786                          | 196,431  | 351,160                               | 331,400   | 278,371                                    |
| 65 and older    | 24,781   | 34,786              | 974,266           | 769,200                          | 141,926  | 209,535                               | 490,474   | 424,460                                    |

Footnotes at end of table.

# Individual Noncash Contributions, 2008

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**Table 5. Individual Noncash Charitable Contributions: All Donations Made to Donee Organizations, by Donor Age, Form 8283, Tax Year 2008—Continued**

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

| Donor age       | Large organizations     |                     |                   |                                  | Public and societal benefit |                     |                   |                                  |
|-----------------|-------------------------|---------------------|-------------------|----------------------------------|-----------------------------|---------------------|-------------------|----------------------------------|
|                 | Number of returns       | Number of donations | Fair market value | Amount carried to Schedule A [1] | Number of returns           | Number of donations | Fair market value | Amount carried to Schedule A [1] |
|                 | (25)                    | (26)                | (27)              | (28)                             | (29)                        | (30)                | (31)              | (32)                             |
| <b>All ages</b> | <b>5,335,476</b>        | <b>11,768,127</b>   | <b>9,080,038</b>  | <b>8,637,960</b>                 | <b>1,483,142</b>            | <b>2,524,099</b>    | <b>3,583,040</b>  | <b>2,977,780</b>                 |
| Under 35        | 607,938                 | 1,124,904           | 1,042,567         | 1,042,482                        | 106,189                     | 163,812             | 226,013           | 181,329                          |
| 35 under 45     | 1,356,439               | 3,009,932           | 2,091,317         | 2,089,849                        | 339,557                     | 568,192             | 508,449           | 482,914                          |
| 45 under 55     | 1,578,767               | 3,472,321           | 2,662,834         | 2,586,481                        | 421,261                     | 706,399             | 871,512           | 696,117                          |
| 55 under 65     | 1,167,017               | 2,802,880           | 2,255,768         | 1,902,178                        | 381,389                     | 684,736             | 906,388           | 787,307                          |
| 65 and older    | 625,315                 | 1,358,090           | 1,027,552         | 1,016,971                        | 234,746                     | 400,959             | 1,070,678         | 830,113                          |
| Donor age       | Religious organizations |                     |                   |                                  | Donor-advised funds         |                     |                   |                                  |
|                 | Number of returns       | Number of donations | Fair market value | Amount carried to Schedule A [1] | Number of returns           | Number of donations | Fair market value | Amount carried to Schedule A [1] |
|                 | (33)                    | (34)                | (35)              | (36)                             | (37)                        | (38)                | (39)              | (40)                             |
| <b>All ages</b> | <b>1,118,419</b>        | <b>1,895,631</b>    | <b>3,586,873</b>  | <b>3,019,787</b>                 | <b>22,656</b>               | <b>37,644</b>       | <b>1,800,987</b>  | <b>1,593,053</b>                 |
| Under 35        | 69,240                  | 102,028             | 146,459           | 134,828                          | 1,062                       | 1,075               | 173,311           | 178,326                          |
| 35 under 45     | 233,209                 | 379,795             | 359,278           | 359,288                          | 2,815                       | 5,509               | 149,543           | 142,005                          |
| 45 under 55     | 314,494                 | 566,431             | 857,306           | 823,147                          | 6,517                       | 13,764              | 653,888           | 487,199                          |
| 55 under 65     | 270,636                 | 462,248             | 1,140,147         | 656,025                          | 3,678                       | 5,871               | 290,829           | 290,268                          |
| 65 and older    | 230,840                 | 385,128             | 1,083,682         | 1,046,499                        | 8,584                       | 11,427              | 533,417           | 495,256                          |
| Donor age       | Foundations             |                     |                   |                                  | Other donees                |                     |                   |                                  |
|                 | Number of returns       | Number of donations | Fair market value | Amount carried to Schedule A [1] | Number of returns           | Number of donations | Fair market value | Amount carried to Schedule A [1] |
|                 | (41)                    | (42)                | (43)              | (44)                             | (45)                        | (46)                | (47)              | (48)                             |
| <b>All ages</b> | <b>105,867</b>          | <b>177,252</b>      | <b>8,589,046</b>  | <b>8,063,904</b>                 | <b>431,706</b>              | <b>568,739</b>      | <b>3,036,697</b>  | <b>2,649,732</b>                 |
| Under 35        | 7,262                   | 10,223              | 132,630           | 135,159                          | 32,627                      | 34,994              | 114,993           | 114,993                          |
| 35 under 45     | 22,338                  | 30,097              | 401,229           | 340,124                          | 82,430                      | 116,427             | 224,189           | 217,138                          |
| 45 under 55     | 27,337                  | 57,187              | 1,009,274         | 911,613                          | 115,253                     | 146,953             | 999,419           | 724,112                          |
| 55 under 65     | 21,190                  | 29,233              | 1,082,324         | 1,041,543                        | 116,287                     | 160,919             | 638,637           | 617,153                          |
| 65 and older    | 27,740                  | 50,511              | 5,963,589         | 5,635,465                        | 85,109                      | 109,445             | 1,059,459         | 976,337                          |

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly-traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

# Split-Interest Trusts, Filing Year 2009

by Lisa Schreiber Rosenmerkel

**F**orm 5227, the *Split-Interest Trust Information Return*, is filed by trusts with both charitable and noncharitable beneficiaries. A Form 5227 must be submitted for each calendar year in which a split-interest trust exists; it must be filed with the Internal Revenue Service (IRS) by April 15 of the year following the calendar year described in the return.<sup>1</sup> Because Form 5227 is an information return, it is used to disclose the financial activities of the trust, but not to calculate tax liability.

A split-interest trust can be created by a will or a trust instrument. The trust instrument specifies the term of the trust, designates the trustee(s) and beneficiaries, and provides parameters for managing assets and distributing income. The instrument usually specifies the contents of the trust. The individual who owns, and then transfers, the assets that make up the trust corpus is known as the grantor. The individuals and entities that receive income are known as beneficiaries.

A trustee is charged with holding, investing, and distributing the income and assets of the trust. A trustee may be an individual, a group of individuals, or an entity, such as a bank or charity. Each trustee must ensure that all transactions, including distributions, conform to the requirements of the trust document and to any applicable laws. Additionally, trustees must coordinate the preparation, verification, and submission of all required State and Federal tax forms.

In Filing Year 2009, 122,541 Forms 5227 were filed, primarily for Tax Year 2008 (Figure A).<sup>2,3</sup> There are three distinct types of split-interest trusts: charitable remainder trusts, charitable lead trusts, and pooled income funds. As in prior years, charitable

remainder trusts were the most common 5227 filers, accounting for 114,500 returns in 2009. Under a charitable remainder trust (CRT) agreement, an income stream is distributed annually to one or more noncharitable beneficiaries of the trust for a defined period.<sup>4,5</sup> At the conclusion of the period, the trust is dissolved, and the remaining assets are distributed to predetermined charitable beneficiaries.<sup>6</sup> There are two types of charitable remainder trusts. Charitable remainder annuity trusts (CRATs) and charitable remainder unitrusts (CRUTs) are differentiated by the calculation of the noncharitable distribution amount. Charitable remainder annuity trusts annually distribute a fixed percentage, between 5 percent and 50 percent, of the *initial* fair market value of the property in the trust. Charitable remainder unitrusts distribute a fixed percentage of the fair market value of the trust property, *valued annually*. This percentage is called the “unitrust percentage” and must be between 5 percent and 50 percent.

Trustees of charitable lead trusts filed 6,626 returns in Filing Year 2009. Under a charitable lead trust (CLT) agreement, annual distributions are made to a predetermined charitable beneficiary. The amount of CLT distributions is not constrained by minimum or maximum payout restrictions. At the conclusion of the trust’s predetermined life, the remaining income and assets are distributed to the designated noncharitable beneficiary.

Pooled income funds are the least common type of split-interest trust, with 1,415 returns filed in 2009 (Figure A). Under a pooled income fund (PIF) arrangement, donors to a charitable organization contribute to a pool of donated assets and in return receive income payments for the remainder of the grantors’ lifetimes.<sup>7</sup> The transfer of assets to the fund must be irrevocable, meaning the assets cannot be removed or replaced with other assets without consent of the beneficiary. The donee charity, commonly a large educational institution, is responsible for the

*Lisa Schreiber Rosenmerkel is an economist with the Special Studies Special Projects Section. This article was prepared under the direction of Melissa Ludlum, Chief.*

<sup>1</sup> Split-interest trusts created before May 27, 1969, are exempt from the requirement to file a Form 5227, as long as no amounts have been transferred to the trust since May 27, 1969.

<sup>2</sup> A filing year includes all returns submitted to IRS processing between January 1 and December 31.

<sup>3</sup> Figure A includes data for six charitable remainder unitrusts that otherwise distorted the analysis presented in this article. Data for these trusts are also included in the aggregate tables presented at the conclusion of this article, as well as the online versions. All other figures and calculations in this article exclude data for these six trusts.

<sup>4</sup> The period may be either a fixed duration, statutorily limited to 20 years, or the lifetime of a noncharitable beneficiary. For more information on the allowable duration of charitable remainder trusts, see Internal Revenue Code section 664(d)(1)(A) and 664(d)(2)(A).

<sup>5</sup> In order to qualify, the individual or individuals must be the donor, the donor’s spouse, a linear ancestor of a noncharitable beneficiary, or the spouse of a linear ancestor of a noncharitable beneficiary. For more information, see Treasury Regulations 1.1170A-6(c)(2)(i).

<sup>6</sup> The qualifications for a “charitable beneficiary” are detailed in Internal Revenue Code section 170(c).

<sup>7</sup> Pooled income funds are further discussed under Internal Revenue Code section 642(c)(5).

# Split-Interest Trusts, Filing Year 2009

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## Figure A

### Split-Interest Trusts, by Type of Trust, Filing Years 2008 and 2009

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

| Item                                       | All                |                    |                | Charitable remainder trusts |                    |                |
|--|--------------------|--------------------|----------------|-----------------------------|--------------------|----------------|
|  | 2008               | 2009               | Percent change | 2008                        | 2009               | Percent change |
|  | (1)                | (2)                | (3)            | (4)                         | (5)                | (6)            |
| <b>Number of returns</b>                   | <b>123,498</b>     | <b>122,541</b>     | <b>-0.8</b>    | <b>115,489</b>              | <b>114,500</b>     | <b>-0.9</b>    |
| <b>Net asset value, end-of-year [1]</b>    | <b>128,080,488</b> | <b>123,792,276</b> | <b>-3.3</b>    | <b>106,974,054</b>          | <b>104,200,449</b> | <b>-2.6</b>    |
| Book value of assets, end-of-year [2]      | 130,148,699        | 125,680,010        | -3.4           | 108,473,185                 | 105,577,412        | -2.7           |
| Book value of liabilities, end-of-year [2] | 2,068,211          | 1,887,735          | -8.7           | 1,499,131                   | 1,376,963          | -8.1           |

| Item                                       | Charitable lead trusts |                   |                | Pooled income funds |                  |                |
|--|------------------------|-------------------|----------------|---------------------|------------------|----------------|
|  | 2008                   | 2009              | Percent change | 2008                | 2009             | Percent change |
|  | (7)                    | (8)               | (9)            | (10)                | (11)             | (12)           |
| <b>Number of returns</b>                   | <b>6,521</b>           | <b>6,626</b>      | <b>1.6</b>     | <b>1,488</b>        | <b>1,415</b>     | <b>-4.9</b>    |
| <b>Net asset value, end-of-year [1]</b>    | <b>19,648,472</b>      | <b>18,274,043</b> | <b>-7.0</b>    | <b>1,457,962</b>    | <b>1,317,783</b> | <b>-9.6</b>    |
| Book value of assets, end-of-year [2]      | 20,024,009             | 18,633,726        | -6.9           | 1,651,505           | 1,468,871        | -11.1          |
| Book value of liabilities, end-of-year [2] | 375,537                | 359,683           | -4.2           | 193,543             | 151,088          | -21.9          |

[1] Calculated as the end-of-year book value of assets (Form 5227, Part IV, line 50, column (b)) minus the end-of-year book value of liabilities (line 56, column (b)).

[2] Reported on Form 5227, Part IV, column (b).

NOTE: Figure A includes data for six charitable remainder unitrusts that otherwise distorted the analysis presented in this article. Data for these trusts are also included in the aggregate tables presented at the conclusion of this article, as well as on SOIs Tax Stats web site. All other figures and calculations in this article exclude data for these six trusts. Detail may not add to totals due to rounding.

maintenance of the fund, including investing assets and making distributions to beneficiaries. Each year, grantors receive a distribution from the fund based on the ratio of their contributions to the value of the investment pool and the return on the fund assets for that year. At the time of the donor's death, the charity receives the grantor's prorated share of the value of the PIF.

### Filing Information

In 2009, the majority of returns were filed for ongoing trusts, in neither the first nor last year of existence. Ongoing trusts accounted for 94.1 percent of all Forms 5227 filed in 2009. Just 2.3 percent of the population comprised initial returns, which were filed for newly created trusts. Final returns were slightly more common; in 2009, preparers for terminating trusts filed 4,464 returns, or 3.6 percent of the total population. Of the three types of SITs, charitable lead trusts were the most likely to file both initial and final returns, with returns for ongoing trusts making up only 86.4 percent of the CLTs filed.

The average lifetime of a terminating trust in Filing Year 2009 was approximately 15 years. Terminating pooled income funds had the longest average

lifetime of all the SIT types, slightly more than 21 years. This extended lifetime could be explained by the institutional structure of PIFs, in which a single charity oversees the assets of multiple donors. Charitable lead trusts terminating in 2009 had an average lifetime of 16 years. Charitable remainder trusts usually have shorter lifetimes given their temporary nature. Charitable remainder unitrusts terminating in Filing Year 2009 had an average lifetime of 15 years. Charitable remainder annuity trusts had the shortest average lifetime, approximately 13 years.

Paid preparers completed 76.8 percent of returns filed in 2009 (Figure B). Of those returns that did not indicate a paid preparer, 89.0 percent reported institutions, such as banks or charities, as the trustee. When entities such as these act as trustee, it is likely that the return was professionally prepared, even if a paid preparer did not sign the return. For example, while paid preparers completed only 55.2 percent of the returns filed for pooled income funds, institutional trustees were reported for 95.0 percent of the PIF returns that did not indicate a paid preparer. Returns for CLTs were most likely to report being completed by a paid preparer. In 2009, only 16.6 percent of returns filed for CLTs did not utilize a paid preparer.

# Split-Interest Trusts, Filing Year 2009

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## Income and Deductions

In total, split-interest trust filers reported \$12.3 billion in gross income, defined as the sum of all income from any source prior to deductions (Figure C). Charitable remainder unitrusts, which represented the majority of returns filed, also accounted for the highest amount of gross income, \$9.1 billion. However, returns filed for charitable lead trusts reported the highest average gross income per return. The 6,376 CLT returns reported gross income of \$2.4 billion, or approximately \$374,000 per return. Charitable remainder annuity trust preparers reported the lowest average gross income per return, approximately \$36,000.

Charitable remainder trusts that incurred any unrelated business taxable income were required to file Form 4720, *Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code*.<sup>8</sup>

In Filing Year 2009, filers of 147 charitable remainder trust returns reported unrelated business income (UBI) on Form 5227. Nearly 98 percent of those reporting UBI were CRUTs.

Trust income is divided into three income categories: ordinary income, capital gains, and nontaxable income. Income reported for all trust types fell between the 2008 and 2009. Ordinary income made up the majority of trust income for all trust types (Figure D). This is primarily the result of a sharp decline in capital gains. Total capital gains reported in 2009 was negative for all trust types. While long-term capital gains were positive for most trust types, short-term capital gains were negative for each trust type. Dividends and business income made up the largest portion of ordinary income for all trust types, while farm income was the smallest component of ordinary income. Interest earned on bonds issued by

## Figure B

### Utilization of Paid Preparers and Distribution of Trustee Type, by Type of Trust, Filing Year 2009

[All figures are estimates based on samples]

| Preparer status, type of trustee | All            | Charitable remainder annuity trusts | Charitable remainder unitrusts | Charitable lead trusts | Pooled income funds |
|----------------------------------|----------------|-------------------------------------|--------------------------------|------------------------|---------------------|
|                                  | (1)            | (2)                                 | (3)                            | (4)                    | (5)                 |
| <b>All returns</b>               | <b>122,535</b> | <b>18,572</b>                       | <b>95,922</b>                  | <b>6,626</b>           | <b>1,415</b>        |
| Paid preparer [1]                | 94,120         | 12,230                              | 75,584                         | 5,524                  | 781                 |
| Unpaid preparer                  | 28,415         | 6,342                               | 20,338                         | 1,101                  | 634                 |
| Institutional trustee            | 25,295         | 5,874                               | 17,898                         | 920                    | 602                 |
| Non-institutional trustee        | 3,120          | 468                                 | 2,440                          | 181                    | 32                  |

[1] The presence of a paid preparer is indicated on page 6 of Form 5227.

## Figure C

### Gross Income, by Type of Trust, Filing Year 2009

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

| Item                                | All        | Charitable remainder annuity trusts | Charitable remainder unitrusts | Charitable lead trusts | Pooled income funds |
|-------------------------------------|------------|-------------------------------------|--------------------------------|------------------------|---------------------|
|                                     | (1)        | (2)                                 | (3)                            | (4)                    | (5)                 |
| Number of returns                   | 122,535    | 18,572                              | 95,922                         | 6,626                  | 1,415               |
| Number of returns with gross income | 117,790    | 18,197                              | 91,844                         | 6,376                  | 1,373               |
| Amount of gross income reported     | 12,280,496 | 666,281                             | 9,144,921                      | 2,382,614              | 86,681              |

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

<sup>8</sup> Any income that a charitable remainder trust received that is the result of a trade or business that is not substantially related to its exempt purpose is subject to tax. One example of unrelated business income is debt financed income, which includes dividends from stock purchased through a margin account. For more information, see IRS Publication 598, *Tax on Unrelated Business Income of Exempt Organizations*.

# Split-Interest Trusts, Filing Year 2009

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**Figure D**

## Income and Deductions, by Type of Trust, Filing Year 2009

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

| Item   | Charitable remainder annuity trusts | Charitable remainder unitrusts | Charitable lead trusts | Pooled income funds |
|--|-------------------------------------|--------------------------------|------------------------|---------------------|
|  | (1)                                 | (2)                            | (3)                    | (4)                 |
| <b>Number of returns</b>                                       | <b>18,572</b>                       | <b>95,922</b>                  | <b>6,626</b>           | <b>1,415</b>        |
| <b>Total net income [1]</b>                                    | <b>197,019</b>                      | <b>3,125,935</b>               | <b>N/A</b>             | <b>N/A</b>          |
| Net ordinary income [2]  | 210,474                             | 3,650,181                      | N/A                    | N/A                 |
| Total ordinary income  | 271,530                             | 4,374,407                      | 1,203,112              | 69,855              |
| Interest income  | 85,940                              | 809,451                        | 240,583                | 23,479              |
| Dividends and business income (loss)                           | 162,124                             | 1,780,220                      | 936,970                | 45,929              |
| Rents, royalties, partnerships, other estates and trusts, etc. | 14,091                              | 182,803                        | 41,706                 | * 333               |
| Farm income (loss)   | * 97                                | * 1                            | * 53                   | 0                   |
| Ordinary gain (loss)   | 100                                 | 9,839                          | -46,449                | 0                   |
| Other income   | 9,179                               | 1,592,092                      | 30,249                 | 114                 |
| Deductions allocable to ordinary income [3]                    | 61,056                              | 724,226                        | N/A                    | N/A                 |
| Net capital gains (losses) [4]                                 | -45,938                             | -632,839                       | N/A                    | N/A                 |
| Total capital gains (losses)                                   | -43,825                             | -494,217                       | -46,461                | -29,589             |
| Total short-term capital gains (losses)                        | -174,958                            | -1,819,821                     | -533,456               | -15,051             |
| Total long-term capital gains (losses)                         | 131,133                             | 1,325,604                      | 486,995                | -14,537             |
| Deductions allocable to capital gains [3]                      | 2,112                               | 138,621                        | N/A                    | N/A                 |
| Net nontaxable income [5]                                      | 32,482                              | 108,593                        | N/A                    | N/A                 |
| Total nontaxable income  | 37,187                              | 134,981                        | 39,467                 | * 1                 |
| Tax-exempt interest  | 35,380                              | 110,573                        | 38,517                 | * 1                 |
| Other nontaxable income  | 1,807                               | 24,408                         | 950                    | 0                   |
| Deductions allocable to nontaxable income [3]                  | 4,705                               | 26,388                         | N/A                    | N/A                 |
| Total deductions [6]   | 68,347                              | 907,719                        | 274,425                | 9,344               |
| Interest   | 1,049                               | 49,586                         | 36,593                 | * 71                |
| Taxes  | 1,227                               | 13,707                         | 38,006                 | 41                  |
| Trustee fees   | 38,616                              | 230,316                        | 35,833                 | 3,761               |
| Attorney, accountant, and return preparer fees                 | 8,029                               | 66,680                         | 13,578                 | 231                 |
| Other allowable deductions                                     | 19,426                              | 547,430                        | 150,415                | 5,240               |

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

N/A: Value not available. Items related to net income and deductions are not reported for CLTs or PIFs.

[1] Calculated as the sum of "net ordinary income" (Form 5227, Part I, Section E, line 24b), "net capital gains (losses)" (line 25b), and "net nontaxable income" (line 26b).

[2] Reported on Form 5227, Part I, Section E, line 24b.

[3] Included in "total deductions" amount given on Form 5227, Part I, Section D, line 22.

[4] Reported on Form 5227, Part I, Section E, line 25b.

[5] Reported on Form 5227, Part I, Section E, line 26b.

[6] Reported on Form 5227, Part I, Section D, line 22. Deductions shown are for informational purposes only and are included in the deduction items above for CRATs and CRUTs.

State and local governments represented the majority of nontaxable income.

Total deductions between from 2008 and 2009, as well. Charitable remainder annuity trust filers reported trustee's fees as the largest deduction (Figure D). Deductions for interest and taxes are the smallest deductions reported for charitable remainder trusts and pooled income funds. Attorney, accountant, and return preparer fees are the smallest deductions reported for charitable lead trusts.

## Balance Sheet

Overall, the total end-of-year assets, which include cash, receivables, and investments, reported for split-interest trusts declined by 11.7 percent between 2008 and 2009 (Figure E). Total investments followed a similar trend, declining by 13.5 percent. Corporate stock remained the largest investment category; however, the reported amounts declined 10.1 percent between 2008 and 2009. Other investments declined the most, 19.9 percent, from \$42.2 billion to \$33.8

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billion.<sup>9</sup> The only investment category that did not notably decline was land, buildings, and equipment, remaining at \$1.2 billion.

The value of land, buildings, and equipment for charitable remainder annuity trusts and charitable remainder unitrusts increased 13.4 percent and 4.0 percent, respectively. Charitable remainder unitrusts reported the greatest decline in total investment values, falling 14.8 percent from 2008. Total investments reported for charitable lead trusts declined only 8.4 percent. Unlike other filers, trustees of pooled income funds reported increases in both U.S. and State government obligations and corporate stock. Overall, liabilities declined 9.5 percent from \$2.1 billion in 2008 to \$1.9 billion in 2009.

## Charitable Distributions

Trustees for all split-interest trusts must report any trust distributions of principal or income for charitable purposes on Form 5227. In 2009, distributions

of principal were made more frequently and in higher dollar amounts than distributions of income. Some 17,079 distributions of principal totaling \$1.5 billion were made to charities in Filing Year 2009 (Figure F). This is a decline of more than 22 percent from the values reported in 2008. Charitable lead trusts continued to make the highest number of distributions of principal, largely due to the annual charitable distributions required by their trust structures. However, charitable remainder unitrusts distributed the largest dollar amount of principal distributions, \$931.3 million. This large amount is primarily the result of the final distributions made by charitable remainder trusts at the end of their lifetimes. Final distributions include all assets remaining in the trust and totaled \$762.4 million in Filing Year 2009. Education-related charities received the highest number of distributions of principal, some 4,017 or 23.5 percent of total distributions; however, charities related to public or societal benefit received the largest amount

## Figure E

### Investment Allocations, by Type of Trust, Filing Years 2008 and 2009

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

| Item   | All                |                    | Charitable remainder annuity trusts |                  | Charitable remainder unitrusts |                   | Charitable lead trusts |                   | Pooled income funds |                  |
|--|--------------------|--------------------|-------------------------------------|------------------|--------------------------------|-------------------|------------------------|-------------------|---------------------|------------------|
|  | 2008<br>(1)        | 2009<br>(2)        | 2008<br>(3)                         | 2009<br>(4)      | 2008<br>(5)                    | 2009<br>(6)       | 2008<br>(7)            | 2009<br>(8)       | 2008<br>(9)         | 2009<br>(10)     |
| <b>Total book value of assets at end-of-year</b> | <b>130,148,699</b> | <b>114,879,772</b> | <b>9,089,552</b>                    | <b>8,232,133</b> | <b>99,383,633</b>              | <b>86,545,042</b> | <b>20,024,009</b>      | <b>18,633,726</b> | <b>1,651,505</b>    | <b>1,468,871</b> |
| <b>Total investments</b>                         | <b>114,872,033</b> | <b>99,331,100</b>  | <b>7,781,648</b>                    | <b>6,977,811</b> | <b>88,920,579</b>              | <b>75,744,415</b> | <b>16,648,955</b>      | <b>15,244,402</b> | <b>1,520,851</b>    | <b>1,364,472</b> |
| U.S. and State government obligations [1]        | 7,198,512          | 6,409,166          | 1,018,574                           | 1,006,956        | 5,405,613                      | 4,640,086         | 662,199                | 619,023           | 112,126             | 143,101          |
| Corporate stock [2]                              | 54,685,522         | 49,148,928         | 4,250,440                           | 3,701,494        | 42,978,885                     | 38,798,487        | 7,115,414              | 6,286,435         | 340,783             | 362,512          |
| Corporate bonds [3]                              | 9,562,480          | 8,760,517          | 1,075,405                           | 933,412          | 7,350,600                      | 6,730,154         | 681,189                | 687,883           | 455,286             | 409,068          |
| Land, buildings, and equipment [4]               | 1,230,744          | 1,233,968          | 95,898                              | 108,707          | 879,894                        | 914,942           | 192,156                | 182,174           | * 62,796            | * 28,145         |
| Other investments [5]                            | 42,194,774         | 33,778,521         | 1,341,331                           | 1,227,241        | 32,305,586                     | 24,660,746        | 7,997,997              | 7,468,887         | 549,860             | 421,647          |
| <b>Total book value of liabilities</b>           | <b>2,068,212</b>   | <b>1,887,734</b>   | <b>157,979</b>                      | <b>92,360</b>    | <b>1,341,153</b>               | <b>1,284,603</b>  | <b>375,537</b>         | <b>359,683</b>    | <b>193,543</b>      | <b>151,088</b>   |

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

[1] Reported on Form 5227, Part IV, line 45a, column (b).

[2] Reported on Form 5227, Part IV, line 45b, column (b).

[3] Reported on Form 5227, Part IV, line 45c, column (b).

[4] Reported on Form 5227, Part IV, line 46, column (b).

[5] Reported on Form 5227, Part IV, line 47, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

<sup>9</sup> Other investments includes all investment holdings that could not be classified as a government obligation, corporate stock, corporate bonds, or land, buildings, and equipment. Examples include obligations issued by foreign governments and shares of hedge funds.

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**Figure F**

## Charitable Distributions of Principal, by Type of Trust and Charity Type, Filing Year 2009

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

| Charity type                            | All           |                  | Charitable remainder annuity trusts |                | Charitable remainder unitrusts |                | Charitable lead trusts |                | Pooled income funds |               |
|---|---------------|------------------|-------------------------------------|----------------|--------------------------------|----------------|------------------------|----------------|---------------------|---------------|
|   | Number        | Amount           | Number                              | Amount         | Number                         | Amount         | Number                 | Amount         | Number              | Amount        |
|   | (1)           | (2)              | (3)                                 | (4)            | (5)                            | (6)            | (7)                    | (8)            | (9)                 | (10)          |
| <b>Total</b>                            | <b>17,079</b> | <b>1,509,314</b> | <b>2,019</b>                        | <b>175,708</b> | <b>6,972</b>                   | <b>931,322</b> | <b>7,500</b>           | <b>358,217</b> | <b>588</b>          | <b>44,067</b> |
| Arts, culture, and humanities           | 1,373         | 58,846           | 328                                 | 35,143         | 200                            | 12,767         | 830                    | 10,635         | * 14                | * 301         |
| Education                               | 4,017         | 455,612          | 678                                 | 89,489         | 1,869                          | 270,163        | 1,232                  | 71,511         | 239                 | 24,449        |
| Environment, animals                    | 562           | 28,518           | * 84                                | * 9,897        | 212                            | 12,760         | 229                    | 2,994          | 37                  | 2,867         |
| Health                                  | 2,104         | 222,858          | 179                                 | 8,306          | 806                            | 183,676        | 1,087                  | 29,894         | * 32                | * 983         |
| Human services                          | 3,118         | 130,759          | 270                                 | 10,552         | 1,180                          | 72,323         | 1,619                  | 42,725         | 49                  | 5,159         |
| International, foreign affairs          | 187           | 1,017            | * 16                                | * 74           | * 4                            | * 112          | 165                    | 442            | * 2                 | * 388         |
| Public, societal benefit                | 2,539         | 463,047          | 138                                 | 10,101         | 971                            | 278,479        | 1,409                  | 167,581        | * 20                | * 6,887       |
| Religion related                        | 2,724         | 127,581          | 293                                 | 11,709         | 1,600                          | 97,830         | 641                    | 15,089         | 191                 | 2,954         |
| Mutual membership benefit organizations | * 64          | * 31             | 0                                   | 0              | * 60                           | * 12           | * 4                    | * 20           | 0                   | 0             |
| Other                                   | 389           | 21,044           | * 33                                | * 437          | * 68                           | * 3,201        | 284                    | 17,326         | * 4                 | * 80          |

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

NOTES: "Number" shown in the heading for columns 1, 3, 5, etc. refers to the number of unique distributions. Detail may not add to totals because of rounding.

of principal distributions, some \$463.0 million or 30.7 percent of the total.

Distributions of income to charity were less frequent and smaller in amount than those derived from principal. In total, 13,827 distributions of income were made to charitable beneficiaries totaling \$1.0 billion (Figure G). As would be expected given their structures, charitable lead trusts dominated both the number and amount of charitable distributions of income, comprising 74.8 percent and 83.8 percent, respectively. As with principal distributions, education-oriented charities received the highest number of distributions of income from split-interest trusts overall, while charities organized for public or societal benefit received the largest amount of income distributions.

### Noncharitable Distributions

Noncharitable distribution amounts of charitable remainder unitrusts are based on a fixed percentage of the fair market value of the trust property, *valued annually*. This percentage is called the "unitrust percentage" and must be between 5 percent and 50 percent. The majority, 86.4 percent, of 2009 filings for CRUTs reported unitrust percentages between 5 and

10 percent (Figure H). Less than 1 percent of filings reported unitrust percentages greater than 20 percent.

In Filing Year 2009, the majority of all CRUT trustees reported calculating noncharitable distributions using the standard structure. The standard structure requires them to distribute the unitrust amount, calculated as the unitrust percentage multiplied by the net fair market value of assets, to beneficiaries (Figure I). This ensures the most stable payment for beneficiaries; however, in years of poor investment performance, the trustee may have to liquidate trust assets to make the payment. In addition to the standard charitable remainder unitrust structure, two common variants allow for added flexibility of noncharitable distributions. The net income charitable remainder unitrust (NI-CRUT) variant permits the trustee to distribute only the amount of trust income earned in that year, when that amount is less than the distribution that would otherwise be required.<sup>10</sup> By allowing the trustee to limit distributions in years when the trust's income is low, depletion of the trust corpus can be avoided. Only 4.8 percent of CRUTs were identified as NI-CRUTs. The net income with makeup charitable remainder unitrust (NIM-CRUT) variant works like a NI-CRUT,

<sup>10</sup> For more information regarding net income charitable remainder unitrusts, see Internal Revenue Code section 664(d)(3)(A).

Figure G

**Charitable Distributions of Income, by Type of Trust and Charity Type, Filing Year 2009**

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

| Charity type                            | All           |                  | Charitable remainder annuity trusts |               | Charitable remainder unitrusts |                | Charitable lead trusts |                | Pooled income funds |              |
|---|---------------|------------------|-------------------------------------|---------------|--------------------------------|----------------|------------------------|----------------|---------------------|--------------|
|   | Number        | Amount           | Number                              | Amount        | Number                         | Amount         | Number                 | Amount         | Number              | Amount       |
|   | (1)           | (2)              | (3)                                 | (4)           | (5)                            | (6)            | (7)                    | (8)            | (9)                 | (10)         |
| <b>Total</b>                            | <b>13,827</b> | <b>1,030,234</b> | <b>871</b>                          | <b>13,426</b> | <b>2,357</b>                   | <b>151,784</b> | <b>10,348</b>          | <b>863,696</b> | <b>251</b>          | <b>1,328</b> |
| Arts, culture, and humanities           | 1,591         | 32,798           | 232                                 | 1,071         | 156                            | 14,069         | 1,192                  | 17,656         | * 11                | * 2          |
| Education                               | 3,062         | 113,779          | 211                                 | 4,884         | 583                            | 24,576         | 2,152                  | 83,391         | 116                 | 928          |
| Environment, animals                    | 797           | 13,673           | * 21                                | * 47          | * 52                           | * 98           | 709                    | 13,520         | * 14                | * 7          |
| Health                                  | 1,705         | 69,722           | 132                                 | 1,786         | 136                            | 30,705         | 1,385                  | 37,182         | * 53                | * 51         |
| Human services                          | 2,144         | 50,085           | 133                                 | 2,158         | 433                            | 23,068         | 1,550                  | 24,849         | 28                  | 10           |
| International, foreign affairs          | 146           | 2,171            | * 3                                 | * 69          | * 3                            | * 5            | 139                    | 2,093          | * 2                 | * 5          |
| Public, societal benefit                | 2,001         | 685,148          | 65                                  | 2,849         | 268                            | 39,956         | 1,656                  | 642,341        | * 12                | * 1          |
| Religion related                        | 1,853         | 39,353           | 70                                  | 553           | 662                            | 17,808         | 1,107                  | 20,669         | * 13                | * 324        |
| Mutual membership benefit organizations | * 25          | * 65             | * 1                                 | * 1           | * 20                           | * 63           | * 4                    | * 1            | 0                   | 0            |
| Other                                   | 503           | 23,440           | * 4                                 | * 8           | * 44                           | * 1,438        | 453                    | 21,995         | * 2                 | [1]          |

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

[1] Amount less than \$500.

NOTES: "Number" shown in the heading for columns 1, 3, 5, etc. refers to the number of unique distributions. Detail may not add to totals because of rounding.

in that the trustee is allowed to distribute the lesser of the trust income or the required percentage of fair market value.<sup>11</sup> However, the reductions in required distributions accumulate, and the trustee must make up for previous distribution deficiencies when trust

income permits. Approximately 17.3 percent of CRUTs were identified as NIM-CRUTs. CRUTs with \$3 million or more in end-of-year book value assets were more likely than those with fewer assets to be NIM-CRUTs.

The *Current Distributions Schedule* on Schedule A of Form 5227 details current-year noncharitable distributions made by trustees of both CRATs and CRUTs. Overall, the amount of noncharitable distributions declined only slightly between 2008 and 2009, likely the result of the fixed distributions required by many charitable remainder trusts agreements. As in 2008, long-term capital gains dominated the distributions for both CRATs and CRUTs in 2009 (Figure J). Ordinary income, primarily interest and dividends, was the second most common distribution. Nontaxable income comprised the smallest portion of all distributions. Distributions from corpus comprised a higher percentage of total distributions for CRATs than it did for CRUTs. This may be the result of the strict distribution requirements that typify CRAT agreements. Since the noncharitable distribution amount is fixed throughout the trust's life, trustees may find it necessary to liquidate assets in the corpus to meet the requirement.

Figure H

**Charitable Remainder Unitrusts: Reported Unitrust Percentage, Filing Year 2009**

[All figures are estimates based on samples]

| Unitrust percentage         | Number of returns | Percent of total |
|-----------------------------|-------------------|------------------|
| <b>All returns [1]</b>      | <b>95,922</b>     | <b>100.0</b>     |
| 5 percent, under 10 percent | 82,870            | 86.4             |
| 5 percent under 6 percent   | 21,316            | 22.2             |
| 6 percent under 7 percent   | 18,390            | 19.2             |
| 7 percent under 8 percent   | 19,464            | 20.3             |
| 8 percent under 9 percent   | 18,749            | 19.5             |
| 9 percent under 10 percent  | 4,951             | 5.2              |
| 10 percent under 20 percent | 12,416            | 12.9             |
| 20 percent under 35 percent | 502               | 0.5              |
| 35 percent to 50 percent    | 133               | 0.1              |

[1] Includes 1,742 returns for which an invalid unitrust percentage was reported and efforts made to correct the unitrust percentage were not successful.

NOTES: Detail may not add to totals due to rounding.

<sup>11</sup> For more information regarding net income with makeup charitable remainder unitrusts, see Internal Revenue Code section 664(d)(3)(B).

# Split-Interest Trusts, Filing Year 2009

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## Asset Donation

The *Assets and Donor Information* section of Schedule A, Form 5227, details both initial and additional asset contributions to the trust, as well as the date and source of the contribution. Some 5.0 percent of all split-interest trust filers reported asset contributions of some kind (Figure K). Of the 6,133 returns that reported asset contributions, 48.8 percent were initial returns. These initial returns also reported 82.3 percent of the total value of all contributions. Stocks composed 29.6 percent of overall contributions by value. Bonds were by far the least common contribution, making up only 1.5 percent of the total. Pooled income fund trustees were the most likely of any SIT type to report contributions. This may be explained by the structure of a pooled income fund, in which multiple donors join the fund over its lifetime, contributing assets as they join.

## Summary

In 2009, 122,535 *Split-Interest Trust Information Returns* (Form 5227) were filed for charitable remainder trusts, charitable lead trusts, and pooled income funds. In total, split-interest trust filers reported \$12.3 billion in gross income and \$115.0 billion in end-of-year assets. Trustees reported approximately \$2.5 billion in charitable distributions and \$6.6 billion in noncharitable distributions. Split-interest

trusts received more than \$4.2 billion in asset contributions throughout the year.

## Data Sources and Limitations

The data presented in this article were collected from a sample of Forms 5227, *Split-Interest Trust Information Returns*, selected during Filing Year 2009. A filing year includes returns received by IRS for processing between January 1 and December 31 of a given year and primarily comprises returns for the tax year immediately prior. However, it may include late-filed returns for numerous other tax years. For Filing Year 2009, approximately 97.8 percent of returns included in the sample were for Tax Year 2008, while Tax Year 2007 returns comprised 1.7 percent of the sampled returns. Partial year returns, for either initial or final reporting periods, were included in the SOI sample. All returns included in the sample were computer-designated at the IRS Ogden Submission Processing Center after posting to the IRS Master File.

For Filing Year 2009, a sample of 12,262 returns was drawn from an estimated population of 123,198. The sample size excluded returns that were selected for the sample but later rejected. Returns could be rejected if they were not one of the four types of trusts included in the study or if no money amounts were reported. The sample was stratified by the type of the trust (charitable remainder annuity trust, charitable remainder unitrust, charitable lead trust,

## Figure I

### Charitable Remainder Unitrust (CRUT) Types, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

| CRUT type                   | All               |                  | Size of end-of-year book value of total assets |                  |                             |                  |                     |                  |
|-----------------------------|-------------------|------------------|--|------------------|-----------------------------|------------------|---------------------|------------------|
|                             | Number of returns | Percent of total | Under \$500,000 [1]                            |                  | \$500,000 under \$3 million |                  | \$3 million or more |                  |
|                             |                   |                  | Number of returns                              | Percent of total | Number of returns           | Percent of total | Number of returns   | Percent of total |
|                             | (1)               | (2)              | (3)  | (4)              | (5)                         | (6)              | (7)                 | (8)              |
| <b>All CRUTs</b>            | <b>95,922</b>     | <b>100.0</b>     | <b>66,548</b>                                  | <b>100.0</b>     | <b>25,671</b>               | <b>100.0</b>     | <b>3,702</b>        | <b>100.0</b>     |
| Standard CRUT               | 74,689            | 77.9             | 52,108   | 78.3             | 20,011                      | 78.0             | 2,570               | 69.4             |
| Net income CRUT             | 4,617             | 4.8              | 3,443  | 5.2              | 1,041                       | 4.1              | 133                 | 3.6              |
| Net income with makeup CRUT | 16,616            | 17.3             | 10,997   | 16.5             | 4,619                       | 18.0             | 999                 | 27.0             |

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero.

Often, these zero amounts are explained by trusts filing a final return.

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

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**Figure J**

## Noncharitable Distributions, by Charitable Remainder Trust Type, Filing Year 2009

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

| Item   | All charitable remainder trusts |                  | Charitable remainder annuity trusts |                  | Charitable remainder unitrusts |                  |
|--|---------------------------------|------------------|-------------------------------------|------------------|--------------------------------|------------------|
|  | Number or amount                | Percent of total | Number or amount                    | Percent of total | Number or amount               | Percent of total |
|  | (1)                             | (2)              | (3)                                 | (4)              | (5)                            | (6)              |
| <b>Number of returns</b>                     | <b>114,494</b>                  | <b>N/A</b>       | <b>18,572</b>                       | <b>N/A</b>       | <b>95,922</b>                  | <b>N/A</b>       |
| <b>Total noncharitable distributions [1]</b> | <b>6,568,505</b>                | <b>100.0</b>     | <b>734,959</b>                      | <b>100.0</b>     | <b>5,833,546</b>               | <b>100.0</b>     |
| Ordinary income [2]                          | 2,238,357                       | 34.1             | 205,613                             | 28.0             | 2,032,745                      | 34.8             |
| Short-term capital gains [3]                 | 139,283                         | 2.1              | 5,866                               | 0.8              | 133,417                        | 2.3              |
| Long-term capital gains [4]                  | 3,430,176                       | 52.2             | 317,054                             | 43.1             | 3,113,122                      | 53.4             |
| Nontaxable income [5]                        | 88,574                          | 1.3              | 31,093                              | 4.2              | 57,481                         | 1.0              |
| Corpus [6]                                   | 672,114                         | 10.2             | 175,332                             | 23.9             | 496,782                        | 8.5              |

[1] May include distributions made after December 31 of the tax year and therefore may not be reflected on the accumulation schedule.

[2] Reported on Form 5227, Schedule A, Part II-A, column (d).

[3] Reported on Form 5227, Schedule A, Part II-A, column (e).

[4] Reported on Form 5227, Schedule A, Part II-A, column (f).

[5] Reported on Form 5227, Schedule A, Part II-A, column (g).

[6] Reported on Form 5227, Schedule A, Part II-A, column (h).

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

**Figure K**

## Asset Contributions, by Type of Trust and Asset Type, Filing Year 2009

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

| Item   | All              | Charitable remainder annuity trusts | Charitable remainder unitrusts | Charitable lead trusts | Pooled income funds |
|--|------------------|-------------------------------------|--------------------------------|------------------------|---------------------|
|  | (1)              | (2)                                 | (3)                            | (4)                    | (5)                 |
| <b>Number of returns</b>                             | <b>122,535</b>   | <b>18,572</b>                       | <b>95,922</b>                  | <b>6,626</b>           | <b>1,415</b>        |
| <b>Number of trusts with asset contributions [1]</b> | <b>6,133</b>     | <b>542</b>                          | <b>4,773</b>                   | <b>592</b>             | <b>226</b>          |
| <b>Total asset contributions</b>                     | <b>4,206,011</b> | <b>320,551</b>                      | <b>2,526,499</b>               | <b>1,352,121</b>       | <b>6,841</b>        |
| Cash and money market accounts                       | 1,199,329        | 89,940                              | 471,234                        | 635,980                | 2,175               |
| Stocks [2]   | 1,244,724        | ** 230,610                          | 1,078,028                      | 115,174                | ** 4,666            |
| Bonds  | 61,699           | **                                  | * 18,952                       | ** 50,649              | 0                   |
| Real estate [3]                                      | 404,191          | **                                  | 351,010                        | **                     | 0                   |
| Other assets [4]                                     | 1,296,069        | **                                  | 607,275                        | 550,318                | **                  |

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

\*\*Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Asset contributions are reported on Form 5227, Schedule A, Part III and include both initial contributions made when the trust is created and additional contributions made during the lifetime of the trust.

[2] The value of stock includes both publicly traded and closely held stocks.

[3] The value given for real estate includes traditional real estate as well as real estate mutual funds and partnerships.

[4] Other assets includes such items as retirement assets, annuities, partnerships, insurance assets, and art.

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

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or pooled income fund) and the reported end-of-year book value of total assets. Figure L details the sampling strata and rates. The magnitude of sampling error for selected items, measured by coefficients of variation, is shown in Figure M.

All samples were designed to provide reliable estimates of financial activity. All data were collected from original returns as they were filed. All edited returns were subjected to comprehensive testing and data verification procedures to ensure the highest

quality of data. Changes that were made to the return after filing, either by the taxpayer (on an amended return) or during IRS processing, generally were not incorporated. A complete discussion of the reliability of estimates based on samples, methods for evaluating the magnitude of both sampling and nonsampling error, and the precision of the sample estimates can be found in SOI Sampling Methodology and Data Limitations later in this issue of the *SOI Bulletin* or at [www.irs.gov/pub/irs-soi/sampling.pdf](http://www.irs.gov/pub/irs-soi/sampling.pdf).

**Figure L**

**Population, Sample, and Sampling Rates, by Type of Split-Interest Trust and Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

| Type of trust, item                         | All    | Reported end-of-year book value of total assets [1] |                                |                      |
|---|--------|---|--------------------------------|----------------------|
|   |        | Less than \$1 million                               | \$1 million under \$10 million | \$10 million or more |
|   | (1)    | (2)   | (3)                            | (4)                  |
| <b>Charitable remainder annuity trusts:</b> |        |   |                                |                      |
| Population [2]                              | 18,681 | 17,087  | 1,527                          | 67                   |
| Sample                                      | 1,722  | 1,046   | 609                            | 67                   |
| Sampling rate (percentage)                  | 9.2    | 6.1   | 39.9                           | 100.0                |
| <b>Charitable remainder unitrusts:</b>      |        |   |                                |                      |
| Population [2]                              | 96,332 | 82,371  | 13,153                         | 808                  |
| Sample                                      | 9,265  | 4,089   | 4,368                          | 808                  |
| Sampling rate (percentage)                  | 9.6    | 5.0   | 33.2                           | 100.0                |
| <b>Charitable lead trusts:</b>              |        |   |                                |                      |
| Population [2]                              | 6,741  | 4,463   | 1,998                          | 280                  |
| Sample                                      | 1,037  | 246   | 511                            | 280                  |
| Sampling rate (percentage)                  | 15.4   | 5.5   | 25.6                           | 100.0                |
| <b>Pooled income funds:</b>                 |        |   |                                |                      |
| Population [2]                              | 1,444  | 1,230   | 188                            | 26                   |
| Sample                                      | 238    | 117   | 95                             | 26                   |
| Sampling rate (percentage)                  | 16.5   | 9.5   | 50.5                           | 100.0                |

[1] This is the value the tax preparer reported on Form 5227, Part IV, line 50, column (b). "Less than \$1 million" includes returns that did not report end-of-year book value of total assets from the balance sheet, or that reported the amount as zero.

[2] These population totals include returns that were rejected during the editing process. Returns could be rejected if they were not one of the four types of trusts included in the study or if no money amounts were reported. As a result, these totals may not match totals presented elsewhere in the article.

# Split-Interest Trusts, Filing Year 2009

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## Figure M

### Coefficients of Variation for Selected Items, by Type of Split-Interest Trust and Size of End-of-Year Book Value of Total Assets, Filing Year 2009

| Type of trust, Item                              | All                                   | Size of end-of-year book value of total assets |                             |                     |
|--|---------------------------------------|--|-----------------------------|---------------------|
|  |                                       | Under \$500,000 [1]                            | \$500,000 under \$3 million | \$3 million or more |
|  | Coefficient of variation (percentage) |  |                             |                     |
|  | (1)                                   | (2)  | (3)                         | (4)                 |
| <b>Charitable remainder annuity trusts:</b>      |                                       |  |                             |                     |
| Number of returns                                | 0.54                                  | 1.27   | 5.22                        | 5.20                |
| Net ordinary income [2]                          | 2.85                                  | 6.76   | 5.18                        | 4.62                |
| Net capital gains [3]                            | 13.43                                 | 30.18  | 23.75                       | 18.82               |
| Net capital losses [4]                           | 4.90                                  | 9.47   | 8.18                        | 9.07                |
| Net nontaxable income [5]                        | 9.35                                  | 25.65  | 12.92                       | 14.79               |
| End-of-year total assets (book value) [6]        | 1.82                                  | 3.77   | 3.91                        | 3.35                |
| End-of-year total liabilities (book value) [7]   | 13.39                                 | 21.75  | 25.68                       | 10.32               |
| <b>Charitable remainder unitrusts:</b>           |                                       |  |                             |                     |
| Number of returns                                | 0.10                                  | 0.74   | 1.92                        | 2.09                |
| Net ordinary income [2]                          | 0.93                                  | 5.39   | 3.98                        | 0.60                |
| Net capital gains [3]                            | 1.23                                  | 10.42  | 6.89                        | 1.10                |
| Net capital losses [4]                           | 3.47                                  | 9.21   | 3.89                        | 5.85                |
| Net nontaxable income [5]                        | 13.91                                 | 13.70  | 27.11                       | 4.97                |
| End-of-year total assets (book value) [6]        | 0.46                                  | 1.46   | 1.38                        | 0.69                |
| End-of-year total assets (fair market value) [8] | 4.64                                  | 9.44   | 8.52                        | 6.44                |
| End-of-year total liabilities (book value) [7]   | 0.87                                  | 2.20   | 2.81                        | 0.76                |
| <b>Charitable lead trusts:</b>                   |                                       |  |                             |                     |
| Number of returns                                | 0.36                                  | 3.98   | 5.03                        | 3.77                |
| Total ordinary income                            | 27.27                                 | 81.55  | 8.12                        | 2.35                |
| Total capital gains                              | 3.84                                  | 23.73  | 14.89                       | 3.98                |
| Total capital losses                             | 6.28                                  | 24.77  | 16.07                       | 5.82                |
| Total nontaxable income                          | 5.79                                  | 50.39  | 16.15                       | 3.37                |
| End-of-year total assets (book value) [6]        | 1.29                                  | 8.00   | 4.12                        | 1.73                |
| End-of-year total liabilities (book value) [7]   | 6.63                                  | 34.08  | 27.27                       | 5.60                |
| <b>Pooled income funds:</b>                      |                                       |  |                             |                     |
| Number of returns                                | 0.17                                  | 2.62   | 13.75                       | 6.98                |
| Total ordinary income                            | 2.45                                  | 10.04  | 8.99                        | 3.47                |
| Total capital gains                              | 8.83                                  | 41.47  | 27.43                       | 9.03                |
| Total capital losses                             | 5.28                                  | 19.51  | 17.67                       | 6.30                |
| Total nontaxable income                          | 3.66                                  | N/A  | N/A                         | 3.66                |
| End-of-year total assets (book value) [6]        | 2.52                                  | 9.47   | 9.27                        | 3.63                |
| End-of-year total liabilities (book value) [7]   | 0.81                                  | 43.78  | 63.69                       | 0.27                |

N/A denotes a coefficient of variation that could not be calculated due to a lack of information.

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing final returns.

[2] Reported on Form 5227, Part I, line 24b.

[3] Reported on Form 5227, Part I, line 25b where the value is positive.

[4] Reported on Form 5227, Part I, line 25b where the value is negative.

[5] Reported on Form 5227, Part I, line 26b.

[6] Reported on Form 5227, Part IV, line 50, column (b).

[7] Reported on Form 5227, Part IV, line 56, column (b).

[8] For charitable remainder unitrusts, taken from an estimated end-of-year fair market value.

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**Table 1. Charitable Remainder Annuity Trusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

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

| Item   | Total          | Size of end-of-year book value of total assets |                             |                               |                                |                      |
|--|----------------|--|-----------------------------|-------------------------------|--------------------------------|----------------------|
|  |                | Under \$500,000 [1]                            | \$500,000 under \$1,000,000 | \$1,000,000 under \$3,000,000 | \$3,000,000 under \$10,000,000 | \$10,000,000 or more |
|  | (1)            | (2)  | (3)                         | (4)                           | (5)                            | (6)                  |
| <b>Number of returns</b>                                       | <b>18,572</b>  | <b>15,017</b>                                  | <b>2,010</b>                | <b>1,174</b>                  | <b>307</b>                     | <b>65</b>            |
| <b>Total net income [3]</b>                                    | <b>197,019</b> | <b>28,133</b>                                  | <b>41,830</b>               | <b>44,299</b>                 | <b>48,915</b>                  | <b>33,841</b>        |
| Net ordinary income [4]  | 210,474        | 47,453   | 32,260                      | 45,193                        | 38,497                         | 47,071               |
| Total ordinary income  | 271,530        | 65,185   | 43,766                      | 59,225                        | 49,320                         | 54,034               |
| Interest income  | 85,940         | 18,100   | 15,787                      | 19,682                        | 14,892                         | 17,478               |
| Dividends and business income (loss)                           | 162,124        | 40,865   | 26,750                      | 34,163                        | 27,001                         | 33,345               |
| Rents, royalties, partnerships, other estates and trusts, etc. | 14,091         | 2,266  | * -44                       | 2,685                         | 6,734                          | 2,450                |
| Farm income (loss)   | * 97           | 0  | 0                           | * 97                          | 0                              | 0                    |
| Ordinary gain (loss)   | 100            | * -33  | 0                           | [2]                           | * 142                          | -8                   |
| Other income   | 9,179          | 3,986  | 1,273                       | 2,599                         | 552                            | 769                  |
| Deductions allocable to ordinary income [5]                    | 61,056         | 17,732   | 11,506                      | 14,031                        | 10,823                         | 6,964                |
| Net capital gains (losses) [6]                                 | -45,938        | -26,308  | 3,371                       | -7,696                        | -308                           | -14,997              |
| Total capital gains (losses)                                   | -43,825        | -25,353  | 3,873                       | -7,406                        | -46                            | -14,894              |
| Total short-term capital gains (losses)                        | -174,958       | -20,089  | -32,862                     | -31,191                       | -39,736                        | -51,080              |
| Total long-term capital gains (losses)                         | 131,133        | -5,264   | 36,735                      | 23,786                        | 39,690                         | 36,186               |
| Deductions allocable to capital gains [5]                      | 2,112          | 956  | * 502                       | 291                           | 261                            | 103                  |
| Net nontaxable income [7]                                      | 32,482         | 6,989  | 6,198                       | 6,802                         | 10,725                         | 1,767                |
| Total nontaxable income  | 37,187         | 7,974  | 7,643                       | 7,657                         | 11,975                         | 1,937                |
| Tax-exempt interest  | 35,380         | 7,177  | 7,627                       | 7,596                         | 11,095                         | 1,885                |
| Other nontaxable income  | 1,807          | 798  | * 16                        | * 61                          | * 880                          | 52                   |
| Deductions allocable to nontaxable income [5]                  | 4,705          | 985  | 1,444                       | 855                           | 1,250                          | 170                  |
| <b>Total deductions [8]</b>                                    | <b>68,347</b>  | <b>19,981</b>                                  | <b>13,524</b>               | <b>15,227</b>                 | <b>12,379</b>                  | <b>7,236</b>         |
| Interest   | 1,049          | * 277  | * 8                         | 89                            | 663                            | 13                   |
| Taxes  | 1,227          | 112  | 204                         | 203                           | 549                            | 159                  |
| Trustee fee  | 38,616         | 10,170   | 9,897                       | 9,528                         | 6,093                          | 2,927                |
| Attorney, accountant, and return preparer fees                 | 8,029          | 4,595  | 1,234                       | 1,300                         | 675                            | 225                  |
| Other allowable deductions                                     | 19,426         | 4,827  | 2,181                       | 4,106                         | 4,399                          | 3,912                |

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

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Value is less than \$500.

[3] Calculated as the sum of "net ordinary income" (Form 5227, Part I, Section E, line 24b), "net capital gains (losses)" (line 25b), and "net nontaxable income" (line 26b).

[4] Taken from Form 5227, Part I, Section E, line 24b.

[5] Included in "total deductions" amount given on Form 5227, Part I, Section D, line 22.

[6] Taken from Form 5227, Part I, Section E, line 25b.

[7] Taken from Form 5227, Part I, Section E, line 26b.

[8] Taken from Form 5227, Part I, Section D, line 22.

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

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**Table 2. Charitable Remainder Annuity Trusts: Accumulation and Distribution Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

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

| Item                                       | Total            | Size of end-of-year book value of total assets |                             |                               |                                |                      |
|--|------------------|--|-----------------------------|-------------------------------|--------------------------------|----------------------|
|  |                  | Under \$500,000 [1]                            | \$500,000 under \$1,000,000 | \$1,000,000 under \$3,000,000 | \$3,000,000 under \$10,000,000 | \$10,000,000 or more |
|  | (1)              | (2)  | (3)                         | (4)                           | (5)                            | (6)                  |
| <b>Number of returns</b>                   | <b>18,572</b>    | <b>15,017</b>                                  | <b>2,010</b>                | <b>1,174</b>                  | <b>307</b>                     | <b>65</b>            |
| <b>Total accumulations of income [2]</b>   | <b>5,153,398</b> | <b>1,460,055</b>                               | <b>651,234</b>              | <b>969,998</b>                | <b>932,620</b>                 | <b>1,139,491</b>     |
| Net ordinary income                        | 433,300          | 88,646   | 45,805                      | 86,967                        | 110,906                        | 100,976              |
| Net capital gains (losses)                 | 4,516,957        | 1,301,339                                      | 575,642                     | 850,495                       | 759,037                        | 1,030,444            |
| Net nontaxable income                      | 203,141          | 70,069   | 29,787                      | 32,536                        | 62,678                         | 8,071                |
| <b>Prior-year undistributed income [3]</b> | <b>4,956,379</b> | <b>1,431,921</b>                               | <b>609,404</b>              | <b>925,699</b>                | <b>883,705</b>                 | <b>1,105,650</b>     |
| Net ordinary income                        | 222,826          | 41,193   | 13,545                      | 41,774                        | 72,409                         | 53,905               |
| Net capital gains (losses)                 | 4,562,894        | 1,327,648                                      | 572,270                     | 858,191                       | 759,344                        | 1,045,441            |
| Net nontaxable income                      | 170,659          | 63,080   | 23,589                      | 25,734                        | 51,952                         | 6,303                |
| <b>Current year net income [4]</b>         | <b>197,019</b>   | <b>28,133</b>                                  | <b>41,830</b>               | <b>44,299</b>                 | <b>48,915</b>                  | <b>33,841</b>        |
| Net ordinary income                        | 210,474          | 47,453   | 32,260                      | 45,193                        | 38,497                         | 47,071               |
| Net capital gains (losses)                 | -45,938          | -26,308  | 3,371                       | -7,696                        | -308                           | -14,997              |
| Net nontaxable income                      | 32,482           | 6,989  | 6,198                       | 6,802                         | 10,725                         | 1,767                |
| <b>Distributions of income [5]</b>         | <b>561,405</b>   | <b>192,161</b>                                 | <b>91,175</b>               | <b>108,820</b>                | <b>83,416</b>                  | <b>85,833</b>        |
| Net ordinary income                        | 205,744          | 56,291   | 32,844                      | 43,334                        | 31,733                         | 41,543               |
| Net capital gains (losses)                 | 324,434          | 128,175  | 48,903                      | 60,581                        | 43,182                         | 43,593               |
| Net nontaxable income                      | 31,226           | 7,695  | 9,428                       | 4,905                         | 8,502                          | 698                  |
| <b>Undistributed at end of year [6]</b>    | <b>4,591,993</b> | <b>1,267,893</b>                               | <b>560,059</b>              | <b>861,178</b>                | <b>849,204</b>                 | <b>1,053,658</b>     |
| Net ordinary income                        | 227,556          | 32,355   | 12,961                      | 43,633                        | 79,173                         | 59,433               |
| Net capital gains (losses)                 | 4,192,522        | 1,173,164                                      | 526,738                     | 789,913                       | 715,855                        | 986,852              |
| Net nontaxable income                      | 171,915          | 62,374   | 20,359                      | 27,632                        | 54,176                         | 7,373                |

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

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part II, line 29.

[3] Taken from Form 5227, Part II, line 27.

[4] Taken from Form 5227, Part II, line 28.

[5] Taken from Form 5227, Schedule A, Part I, line 2b.

[6] Taken from Form 5227, Schedule A, Part I, line 3.

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

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**Table 3. Charitable Remainder Annuity Trusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

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

| Item   | Total            | Size of end-of-year book value of total assets |                             |                               |                                |                      |
|--|------------------|--|-----------------------------|-------------------------------|--------------------------------|----------------------|
|  |                  | Under \$500,000 [1]                            | \$500,000 under \$1,000,000 | \$1,000,000 under \$3,000,000 | \$3,000,000 under \$10,000,000 | \$10,000,000 or more |
|  | (1)              | (2)  | (3)                         | (4)                           | (5)                            | (6)                  |
| <b>Number of returns</b>                                 | <b>18,572</b>    | <b>15,017</b>                                  | <b>2,010</b>                | <b>1,174</b>                  | <b>307</b>                     | <b>65</b>            |
| <b>Total net assets [2]</b>                              | <b>8,139,773</b> | <b>1,638,437</b>                               | <b>1,461,339</b>            | <b>1,831,411</b>              | <b>1,567,803</b>               | <b>1,640,783</b>     |
| <b>Total assets [3]</b>                                  | <b>8,232,133</b> | <b>1,687,129</b>                               | <b>1,466,421</b>            | <b>1,850,100</b>              | <b>1,575,371</b>               | <b>1,653,112</b>     |
| Cash   | 150,731          | 34,576   | 47,836                      | 38,095                        | 22,930                         | 7,295                |
| Savings and temporary cash investments                   | 655,093          | 105,057  | 124,833                     | 155,615                       | 134,874                        | 134,713              |
| Accounts receivable                                      | 5,238            | 2,823  | * 591                       | 998                           | * 26                           | 800                  |
| Receivables due from officers, directors, trustees, etc. | 18,864           | 9,680  | * 384                       | * 988                         | 0                              | 7,812                |
| Other notes and loans receivable                         | 152,247          | 22,255   | * 28,320                    | 44,994                        | * 2,503                        | 54,175               |
| Inventories for sale or use                              | * 156            | 0  | 0                           | * 156                         | 0                              | 0                    |
| Prepaid expenses and deferred charges                    | 560              | * 88   | * 68                        | * 402                         | * 2                            | 0                    |
| <b>Total investments</b>                                 | <b>6,977,811</b> | <b>1,435,595</b>                               | <b>1,205,442</b>            | <b>1,539,549</b>              | <b>1,383,619</b>               | <b>1,413,607</b>     |
| <b>Securities</b>  | <b>5,641,863</b> | <b>1,150,284</b>                               | <b>1,041,196</b>            | <b>1,246,907</b>              | <b>1,204,173</b>               | <b>999,303</b>       |
| Government obligations                                   | 1,006,956        | 135,648  | 173,785                     | 230,075                       | 324,289                        | 143,159              |
| Corporate stock  | 3,701,494        | 796,064  | 681,168                     | 801,862                       | 688,201                        | 734,199              |
| Corporate bonds  | 933,412          | 218,572  | 186,243                     | 214,970                       | 191,683                        | 121,944              |
| Land, buildings, and equipment                           | 108,707          | * 16,442                                       | 0                           | 48,896                        | * 29,694                       | 13,675               |
| Other investments  | 1,227,241        | 268,869  | 164,245                     | 243,745                       | 149,752                        | 400,629              |
| Charitable purpose land, buildings, and equipment        | 48,151           | * 3,640  | 0                           | * 14,139                      | * 20,862                       | 9,510                |
| Other assets   | 223,277          | 73,413   | 58,948                      | 55,162                        | * 10,553                       | 25,200               |
| <b>Total liabilities [4]</b>                             | <b>92,360</b>    | <b>48,692</b>                                  | <b>5,082</b>                | <b>18,689</b>                 | <b>7,568</b>                   | <b>12,330</b>        |
| Accounts payable and accrued expenses                    | 14,233           | 9,654  | * 2,866                     | 1,641                         | * 50                           | 21                   |
| Deferred revenue   | * 5,313          | * 1,539  | 0                           | * 3,774                       | 0                              | 0                    |
| Loans from officers, directors, trustees, etc.           | * 1,370          | * 103  | 0                           | * 837                         | * 430                          | 0                    |
| Mortgages and other notes payable                        | * 5,750          | * 5,293  | 0                           | * 238                         | * 218                          | 0                    |
| Other liabilities  | 65,695           | 32,103   | 2,215                       | 12,199                        | 6,870                          | 12,308               |

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

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part IV, line 59, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 50, column (b)) less total liabilities (line 56, column (b)) due to taxpayer reporting discrepancies.

[3] Taken from Form 5227, Part IV, line 50, column (b).

[4] Taken from Form 5227, Part IV, line 56, column (b).

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

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**Table 4. Charitable Remainder Unitrusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

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

| Item   | Total            | Size of end-of-year book value of total assets |                             |                               |                                |                      |
|--|------------------|--|-----------------------------|-------------------------------|--------------------------------|----------------------|
|  |                  | Under \$500,000 [1]                            | \$500,000 under \$1,000,000 | \$1,000,000 under \$3,000,000 | \$3,000,000 under \$10,000,000 | \$10,000,000 or more |
|  | (1)              | (2)  | (3)                         | (4)                           | (5)                            | (6)                  |
| <b>Number of returns</b>                                       | <b>95,928</b>    | <b>66,548</b>                                  | <b>15,294</b>               | <b>10,378</b>                 | <b>2,916</b>                   | <b>792</b>           |
| <b>Total net income [2]</b>                                    | <b>7,153,125</b> | <b>56,080</b>                                  | <b>-4,560</b>               | <b>196,760</b>                | <b>-5,282</b>                  | <b>6,910,127</b>     |
| Net ordinary income [3]  | 3,650,181        | 294,393  | 262,810                     | 408,058                       | 324,701                        | 2,360,219            |
| Total ordinary income  | 5,853,173        | 437,156  | 355,964                     | 539,043                       | 439,750                        | 4,081,259            |
| Interest income  | 1,336,440        | 100,014  | 93,726                      | 152,540                       | 122,747                        | 867,414              |
| Dividends and business income (loss)                           | 2,059,555        | 302,701  | 232,946                     | 361,413                       | 306,223                        | 856,272              |
| Rents, royalties, partnerships, other estates and trusts, etc. | 855,245          | 17,063   | 14,350                      | 12,965                        | 10,220                         | 800,646              |
| Farm income (loss)   | * 1              | 0  | 0                           | 0                             | * 1                            | 0                    |
| Ordinary gain (loss)   | 9,839            | 6,196  | * 2,179                     | 675                           | 239                            | 551                  |
| Other income   | 1,592,092        | 11,183   | 12,762                      | 11,451                        | 319                            | 1,556,377            |
| Deductions allocable to ordinary income [4]                    | 2,202,991        | 142,763  | 93,154                      | 130,985                       | 115,049                        | 1,721,040            |
| Net capital gains (losses) [5]                                 | 3,394,351        | -250,084                                       | -297,773                    | -235,798                      | -352,951                       | 4,530,958            |
| Total capital gains (losses)                                   | 3,652,523        | -240,814                                       | -294,000                    | -226,523                      | -348,962                       | 4,762,823            |
| Total short-term capital gains (losses)                        | 2,942,004        | -241,317                                       | -314,996                    | -470,064                      | -468,055                       | 4,436,437            |
| Total long-term capital gains (losses)                         | 710,519          | 504  | 20,995                      | 243,541                       | 119,094                        | 326,386              |
| Deductions allocable to capital gains [4]                      | 258,171          | 9,270  | 3,772                       | 9,274                         | 3,990                          | 231,865              |
| Net nontaxable income [6]                                      | 108,593          | 11,772   | 30,403                      | 24,500                        | 22,968                         | 18,951               |
| Total nontaxable income  | 134,981          | 15,057   | 33,315                      | 34,481                        | 27,980                         | 24,148               |
| Tax-exempt interest  | 110,573          | 11,296   | 16,291                      | 31,881                        | 27,713                         | 23,393               |
| Other nontaxable income  | 24,408           | 3,761  | 17,024                      | 2,600                         | 267                            | 756                  |
| Deductions allocable to nontaxable income [4]                  | 26,388           | 3,285  | 2,912                       | 9,981                         | 5,013                          | 5,197                |
| <b>Total deductions [7]</b>                                    | <b>2,506,034</b> | <b>158,386</b>                                 | <b>99,939</b>               | <b>151,445</b>                | <b>124,152</b>                 | <b>1,972,111</b>     |
| Interest   | 608,317          | 720  | 1,071                       | 1,864                         | 3,449                          | 601,213              |
| Taxes  | 14,100           | 2,302  | 2,128                       | 3,130                         | 2,264                          | 4,275                |
| Trustee fee  | 231,036          | 64,728   | 49,032                      | 57,922                        | 36,780                         | 22,574               |
| Attorney, accountant, and return preparer fees                 | 66,680           | 25,521   | 12,550                      | 12,931                        | 9,761                          | 5,918                |
| Other allowable deductions                                     | 1,585,901        | 65,115   | 35,158                      | 75,598                        | 71,899                         | 1,338,131            |

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

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Calculated as the sum of "net ordinary income" (Form 5227, Part I, Section E, line 24b), "net capital gains (losses)" (line 25b), and "net nontaxable income" (line 26b).

[3] Taken from Form 5227, Part I, Section E, line 24b.

[4] Included in "total deductions" amount given on Form 5227, Part I, Section D, line 22.

[5] Taken from Form 5227, Part I, Section E, line 25b.

[6] Taken from Form 5227, Part I, Section E, line 26b.

[7] Taken from Form 5227, Part I, Section D, line 22.

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

# Split-Interest Trusts, Filing Year 2009

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**Table 5. Charitable Remainder Unitrusts: Accumulation and Distribution Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

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

| Item                                       | Total             | Size of end-of-year book value of total assets |                             |                               |                                |                      |
|--|-------------------|--|-----------------------------|-------------------------------|--------------------------------|----------------------|
|  |                   | Under \$500,000 [1]                            | \$500,000 under \$1,000,000 | \$1,000,000 under \$3,000,000 | \$3,000,000 under \$10,000,000 | \$10,000,000 or more |
|  | (1)               | (2)  | (3)                         | (4)                           | (5)                            | (6)                  |
| <b>Number of returns</b>                   | <b>95,928</b>     | <b>66,548</b>                                  | <b>15,294</b>               | <b>10,378</b>                 | <b>2,916</b>                   | <b>792</b>           |
| <b>Total accumulations of income [2]</b>   | <b>76,535,528</b> | <b>7,321,098</b>                               | <b>6,697,569</b>            | <b>11,523,965</b>             | <b>11,255,675</b>              | <b>39,737,222</b>    |
| Net ordinary income                        | 9,271,093         | 431,825  | 363,188                     | 714,417                       | 619,177                        | 7,142,486            |
| Net capital gains (losses)                 | 66,662,731        | 6,819,655                                      | 6,235,446                   | 10,631,588                    | 10,491,473                     | 32,484,568           |
| Net nontaxable income                      | 601,705           | 69,618   | 98,935                      | 177,960                       | 145,024                        | 110,167              |
| <b>Prior-year undistributed income [3]</b> | <b>69,382,404</b> | <b>7,265,018</b>                               | <b>6,702,130</b>            | <b>11,327,205</b>             | <b>11,260,957</b>              | <b>32,827,094</b>    |
| Net ordinary income                        | 5,620,912         | 137,432  | 100,378                     | 306,358                       | 294,476                        | 4,782,268            |
| Net capital gains (losses)                 | 63,268,379        | 7,069,739                                      | 6,533,219                   | 10,867,386                    | 10,844,425                     | 27,953,611           |
| Net nontaxable income                      | 493,113           | 57,848   | 68,533                      | 153,460                       | 122,056                        | 91,216               |
| <b>Current year net income [4]</b>         | <b>7,153,125</b>  | <b>56,080</b>                                  | <b>-4,560</b>               | <b>196,760</b>                | <b>-5,282</b>                  | <b>6,910,127</b>     |
| Net ordinary income                        | 3,650,181         | 294,393  | 262,810                     | 408,058                       | 324,701                        | 2,360,219            |
| Net capital gains (losses)                 | 3,394,351         | -250,084                                       | -297,773                    | -235,798                      | -352,951                       | 4,530,958            |
| Net nontaxable income                      | 108,593           | 11,772   | 30,403                      | 24,500                        | 22,968                         | 18,951               |
| <b>Distributions of income [5]</b>         | <b>5,613,632</b>  | <b>1,004,423</b>                               | <b>729,652</b>              | <b>1,189,695</b>              | <b>1,043,720</b>               | <b>1,646,142</b>     |
| Net ordinary income                        | 2,045,051         | 336,098  | 266,715                     | 432,027                       | 347,058                        | 663,153              |
| Net capital gains (losses)                 | 3,511,096         | 657,765  | 451,937                     | 742,487                       | 683,201                        | 975,706              |
| Net nontaxable income                      | 57,485            | 10,561   | 11,000                      | 15,181                        | 13,461                         | 7,283                |
| <b>Undistributed at end of year [6]</b>    | <b>70,921,895</b> | <b>6,316,673</b>                               | <b>5,967,918</b>            | <b>10,334,270</b>             | <b>10,211,955</b>              | <b>38,091,080</b>    |
| Net ordinary income                        | 7,226,042         | 95,726   | 96,473                      | 282,390                       | 272,120                        | 6,479,333            |
| Net capital gains (losses)                 | 63,151,633        | 6,161,889                                      | 5,783,509                   | 9,889,101                     | 9,808,272                      | 31,508,862           |
| Net nontaxable income                      | 544,220           | 59,058   | 87,936                      | 162,779                       | 131,563                        | 102,884              |

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part II, line 29.

[3] Taken from Form 5227, Part II, line 27.

[4] Taken from Form 5227, Part II, line 28.

[5] Taken from Form 5227, Schedule A, Part I, line 2b.

[6] Taken from Form 5227, Schedule A, Part I, line 3.

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

# Split-Interest Trusts, Filing Year 2009

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**Table 6. Charitable Remainder Unitrusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

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

| Item   | Total             | Size of end-of-year book value of total assets |                             |                               |                                |                      |
|--|-------------------|--|-----------------------------|-------------------------------|--------------------------------|----------------------|
|  |                   | Under \$500,000 [1]                            | \$500,000 under \$1,000,000 | \$1,000,000 under \$3,000,000 | \$3,000,000 under \$10,000,000 | \$10,000,000 or more |
|  | (1)               | (2)  | (3)                         | (4)                           | (5)                            | (6)                  |
| <b>Number of returns</b>                                 | <b>95,928</b>     | <b>66,548</b>                                  | <b>15,294</b>               | <b>10,378</b>                 | <b>2,916</b>                   | <b>792</b>           |
| <b>Total net assets [2]</b>                              | <b>96,060,677</b> | <b>11,799,211</b>                              | <b>10,677,407</b>           | <b>16,618,751</b>             | <b>14,499,762</b>              | <b>42,465,546</b>    |
| <b>Total assets [3]</b>                                  | <b>97,345,279</b> | <b>11,951,242</b>                              | <b>10,829,255</b>           | <b>16,881,469</b>             | <b>14,778,595</b>              | <b>42,904,719</b>    |
| Cash   | 1,457,079         | 250,540  | 193,805                     | 367,968                       | 316,576                        | 328,190              |
| Savings and temporary cash investments                   | 6,272,621         | 834,365  | 906,461                     | 1,341,532                     | 1,240,291                      | 1,949,972            |
| Accounts receivable                                      | 134,824           | 22,885   | 28,025                      | 30,110                        | 22,589                         | 31,216               |
| Receivables due from officers, directors, trustees, etc. | 41,248            | 1,485  | * 2,101                     | 8,089                         | * 10,892                       | 18,681               |
| Other notes and loans receivable                         | 1,007,184         | 124,995  | 143,753                     | 258,996                       | 262,110                        | 217,329              |
| Inventories for sale or use                              | * 52              | 0  | 0                           | * 52                          | 0                              | 0                    |
| Prepaid expenses and deferred charges                    | 8,293             | 848  | * 1,771                     | 4,400                         | 830                            | 445                  |
| <b>Total investments</b>                                 | <b>86,542,973</b> | <b>10,363,343</b>                              | <b>9,183,865</b>            | <b>14,436,052</b>             | <b>12,543,227</b>              | <b>40,016,486</b>    |
| <b>Securities</b>  | <b>50,168,727</b> | <b>8,158,819</b>                               | <b>7,486,442</b>            | <b>11,579,943</b>             | <b>9,388,998</b>               | <b>13,554,525</b>    |
| Government obligations                                   | 4,640,086         | 421,827  | 643,304                     | 1,097,351                     | 1,089,551                      | 1,388,053            |
| Corporate stock  | 38,798,487        | 6,492,419                                      | 5,645,935                   | 8,979,602                     | 7,196,411                      | 10,484,120           |
| Corporate bonds  | 6,730,154         | 1,244,573                                      | 1,197,203                   | 1,502,990                     | 1,103,036                      | 1,682,352            |
| Land, buildings, and equipment                           | 914,942           | 119,476  | 135,777                     | 260,857                       | 214,228                        | 184,605              |
| Other investments  | 35,459,305        | 2,085,048                                      | 1,561,646                   | 2,595,253                     | 2,940,001                      | 26,277,357           |
| Charitable purpose land, buildings, and equipment        | 281,109           | 44,347   | * 47,125                    | 100,881                       | * 59,186                       | 29,571               |
| Other assets   | 1,599,878         | 308,421  | 322,346                     | 333,388                       | 322,893                        | 312,831              |
| <b>Total liabilities [4]</b>                             | <b>1,284,603</b>  | <b>152,031</b>                                 | <b>151,848</b>              | <b>262,718</b>                | <b>278,832</b>                 | <b>439,173</b>       |
| Accounts payable and accrued expenses                    | 175,802           | 22,839   | 25,147                      | 44,013                        | 41,581                         | 42,222               |
| Deferred revenue   | 26,281            | * 4,174  | * 650                       | 8,147                         | * 2,409                        | 10,900               |
| Loans from officers, directors, trustees, etc.           | 6,424             | 3,897  | * 366                       | 1,129                         | * 204                          | 827                  |
| Mortgages and other notes payable                        | 98,071            | * 525  | * 5,437                     | * 11,269                      | * 42,056                       | 38,783               |
| Other liabilities  | 978,026           | 120,594  | 120,249                     | 198,160                       | 192,581                        | 346,441              |

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

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part IV, line 59, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 50, column (b)) less total liabilities (line 56, column (b)) due to taxpayer reporting discrepancies.

[3] Taken from Form 5227, Part IV, line 50, column (b).

[4] Taken from Form 5227, Part IV, line 56, column (b).

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

# Split-Interest Trusts, Filing Year 2009

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**Table 7. Charitable Remainder Unitrusts: End-of-Year Fair Market Value Asset Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

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

| Item   | Total             | Size of end-of-year book value of total assets |                             |                               |                                |                      |
|--|-------------------|--|-----------------------------|-------------------------------|--------------------------------|----------------------|
|  |                   | Under \$500,000 [1]                            | \$500,000 under \$1,000,000 | \$1,000,000 under \$3,000,000 | \$3,000,000 under \$10,000,000 | \$10,000,000 or more |
|  | (1)               | (2)  | (3)                         | (4)                           | (5)                            | (6)                  |
| <b>Number of returns</b>                                 | <b>95,928</b>     | <b>66,548</b>                                  | <b>15,294</b>               | <b>10,378</b>                 | <b>2,916</b>                   | <b>792</b>           |
| <b>Total assets [2]</b>                                  | <b>92,165,720</b> | <b>11,362,431</b>                              | <b>9,689,991</b>            | <b>15,902,358</b>             | <b>13,607,517</b>              | <b>41,603,422</b>    |
| Cash   | 1,709,862         | 262,810  | 203,532                     | 562,180                       | 308,895                        | 372,445              |
| Savings and temporary cash investments                   | 6,229,897         | 820,591  | 879,651                     | 1,331,800                     | 1,248,729                      | 1,949,127            |
| Accounts receivable                                      | 130,616           | 22,463   | 27,761                      | 29,847                        | 21,583                         | 28,962               |
| Receivables due from officers, directors, trustees, etc. | 38,524            | 1,452  | * 54                        | 7,799                         | * 10,892                       | 18,327               |
| Other notes and loans receivable                         | 952,434           | 120,245  | 123,989                     | 250,872                       | 257,487                        | 199,841              |
| Inventories for sale or use                              | * 37              | 0  | 0                           | * 37                          | 0                              | 0                    |
| Prepaid expenses and deferred charges                    | 7,395             | * 502  | * 1,743                     | 4,173                         | 543                            | 434                  |
| Total investments  | 80,786,240        | 9,504,713                                      | 8,032,872                   | 13,260,752                    | 11,358,025                     | 38,629,878           |
| Securities   | 47,140,280        | 7,334,129                                      | 6,392,499                   | 10,566,501                    | 8,487,685                      | 14,359,466           |
| Government obligations                                   | 4,540,711         | 398,439  | 624,364                     | 1,103,147                     | 1,071,485                      | 1,343,277            |
| Corporate stock  | 36,764,393        | 5,853,696                                      | 4,731,411                   | 8,154,848                     | 6,411,757                      | 11,612,682           |
| Corporate bonds  | 5,835,176         | 1,081,994                                      | 1,036,725                   | 1,308,507                     | 1,004,443                      | 1,403,507            |
| Land, buildings, and equipment                           | 1,302,109         | 325,355  | 237,539                     | 307,354                       | 240,490                        | 191,371              |
| Other investments  | 32,343,851        | 1,845,230                                      | 1,402,834                   | 2,386,897                     | 2,629,850                      | 24,079,041           |
| Charitable purpose land, buildings, and equipment        | 526,296           | 220,071  | * 94,346                    | 121,201                       | 59,260                         | 31,418               |
| Other assets   | 1,784,402         | 409,572  | 326,042                     | 333,694                       | 342,104                        | 372,990              |

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

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part IV, line 50.

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

# Split-Interest Trusts, Filing Year 2009

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**Table 8. Charitable Lead Trusts: Income, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

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

| Item   | Total            | Size of end-of-year book value of total assets |                             |                               |                                |                      |
|--|------------------|--|-----------------------------|-------------------------------|--------------------------------|----------------------|
|  |                  | Under \$500,000 [1]                            | \$500,000 under \$1,000,000 | \$1,000,000 under \$3,000,000 | \$3,000,000 under \$10,000,000 | \$10,000,000 or more |
|  | (1)              | (2)  | (3)                         | (4)                           | (5)                            | (6)                  |
| <b>Number of returns</b>                                       | <b>6,626</b>     | <b>3,120</b>                                   | <b>1,183</b>                | <b>1,362</b>                  | <b>679</b>                     | <b>282</b>           |
| <b>Total income [3]</b>  | <b>1,196,118</b> | <b>352,865</b>                                 | <b>-21,583</b>              | <b>26,791</b>                 | <b>82,506</b>                  | <b>755,540</b>       |
| Total ordinary income  | 1,203,112        | 401,893  | 31,100                      | 92,563                        | 150,956                        | 526,601              |
| Interest income  | 240,583          | 37,011   | 7,259                       | 20,086                        | 33,672                         | 142,556              |
| Dividends and business income (loss)                           | 936,970          | 369,902  | 21,246                      | 63,764                        | 89,249                         | 392,810              |
| Rents, royalties, partnerships, other estates and trusts, etc. | 41,706           | 15,039   | 2,214                       | 8,926                         | 26,489                         | -10,962              |
| Farm income (loss)   | * 53             | 0  | 0                           | 0                             | * 53                           | 0                    |
| Ordinary gain (loss)   | -46,449          | * -20,336                                      | * -48                       | 170                           | -565                           | -25,670              |
| Other income   | 30,249           | 278  | * 429                       | -382                          | 2,058                          | 27,867               |
| Total capital gains (losses)                                   | -46,461          | -52,774  | -54,599                     | -68,995                       | -73,167                        | 203,074              |
| Total short-term capital gains (losses)                        | -533,456         | -49,464  | -35,696                     | -80,273                       | -108,596                       | -259,427             |
| Total long-term capital gains (losses)                         | 486,995          | -3,309   | -18,903                     | 11,277                        | 35,429                         | 462,501              |
| Total nontaxable income  | 39,467           | 3,746  | 1,916                       | 3,223                         | 4,717                          | 25,865               |
| Tax-exempt interest  | 38,517           | 3,746  | 1,497                       | 3,223                         | 4,709                          | 25,342               |
| Other nontaxable income  | 950              | 0  | * 419                       | [2]                           | * 8                            | 523                  |

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

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Value is less than \$500.

[3] Calculated as the sum of "total ordinary income" (Form 5227, Part I, Section A, line 8), "total capital gains (losses)" (Section B, line 13), and "total nontaxable income" (Section C, line 16).

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

# Split-Interest Trusts, Filing Year 2009

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**Table 9. Charitable Lead Trusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

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

| Item   | Total             | Size of end-of-year book value of total assets |                             |                               |                                |                      |
|--|-------------------|--|-----------------------------|-------------------------------|--------------------------------|----------------------|
|  |                   | Under \$500,000 [1]                            | \$500,000 under \$1,000,000 | \$1,000,000 under \$3,000,000 | \$3,000,000 under \$10,000,000 | \$10,000,000 or more |
|  | (1)               | (2)  | (3)                         | (4)                           | (5)                            | (6)                  |
| <b>Number of returns</b>                                 | <b>6,626</b>      | <b>3,120</b>                                   | <b>1,183</b>                | <b>1,362</b>                  | <b>679</b>                     | <b>282</b>           |
| <b>Total net assets [3]</b>                              | <b>18,274,043</b> | <b>463,178</b>                                 | <b>844,018</b>              | <b>2,286,647</b>              | <b>3,521,162</b>               | <b>11,159,038</b>    |
| <b>Total assets [4]</b>                                  | <b>18,633,726</b> | <b>499,134</b>                                 | <b>861,755</b>              | <b>2,320,442</b>              | <b>3,575,610</b>               | <b>11,376,785</b>    |
| Cash   | 429,116           | 37,632   | 31,496                      | 46,728                        | 72,635                         | 240,626              |
| Savings and temporary cash investments                   | 1,595,261         | 56,321   | 54,094                      | 209,308                       | 358,997                        | 916,541              |
| Accounts receivable                                      | 34,810            | * 264  | * 35                        | 1,220                         | 20,376                         | 12,914               |
| Receivables due from officers, directors, trustees, etc. | * 17,516          | 0  | 0                           | * 6,398                       | * 505                          | 10,613               |
| Other notes and loans receivable                         | 199,820           | * 782  | * 14,267                    | 35,592                        | * 26,517                       | 122,661              |
| Inventories for sale or use                              | 0                 | 0  | 0                           | 0                             | 0                              | 0                    |
| Prepaid expenses and deferred charges                    | 4,306             | * 28   | * 407                       | * 275                         | * 813                          | 2,783                |
| Total investments  | 15,244,402        | 395,415  | 727,172                     | 1,881,364                     | 2,978,297                      | 9,262,154            |
| Securities   | 7,593,341         | 293,806  | 518,665                     | 1,365,609                     | 1,577,545                      | 3,837,716            |
| Government obligations                                   | 619,023           | 19,625   | 44,727                      | 95,562                        | 139,613                        | 319,496              |
| Corporate stock  | 6,286,435         | 241,377  | 441,118                     | 1,112,177                     | 1,229,933                      | 3,261,830            |
| Corporate bonds  | 687,883           | 32,805   | 32,820                      | 157,870                       | 207,999                        | 256,389              |
| Land, buildings, and equipment                           | 182,174           | * 8,146  | * 13,795                    | * 12,378                      | * 33,688                       | 114,167              |
| Other investments  | 7,468,887         | 93,462   | 194,712                     | 503,377                       | 1,367,064                      | 5,310,271            |
| Charitable purpose land, buildings, and equipment        | * 16,134          | 0  | * 5                         | * 4,692                       | * 11,413                       | 24                   |
| Other assets   | 1,092,361         | 8,693  | * 34,279                    | 134,864                       | 106,057                        | 808,467              |
| <b>Total liabilities [5]</b>                             | <b>359,683</b>    | <b>35,955</b>                                  | <b>* 17,737</b>             | <b>33,796</b>                 | <b>54,448</b>                  | <b>217,747</b>       |
| Accounts payable and accrued expenses                    | 78,541            | * 1,711  | * 116                       | 2,455                         | * 12,286                       | 61,972               |
| Deferred revenue   | [2]               | 0  | 0                           | 0                             | 0                              | [2]                  |
| Loans from officers, directors, trustees, etc.           | * 3,571           | * 2,011  | * 67                        | * 743                         | 0                              | 750                  |
| Mortgages and other notes payable                        | 40,007            | * 2,607  | 0                           | * 4,354                       | * 1,246                        | 31,800               |
| Other liabilities  | 237,564           | 29,626   | * 17,554                    | 26,244                        | 40,915                         | 123,225              |

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

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Value is less than \$500.

[3] Taken from Form 5227, Part IV, line 59, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 50, column (b)) less total liabilities (line 56, column (b)) due to taxpayer reporting discrepancies.

[4] Taken from Form 5227, Part IV, line 50, column (b).

[5] Taken from Form 5227, Part IV, line 56, column (b).

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

# Split-Interest Trusts, Filing Year 2009

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**Table 10. Pooled Income Funds: Income, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

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

| Item   | Total         | Size of end-of-year book value of total assets |                             |                               |                                |                      |
|--|---------------|--|-----------------------------|-------------------------------|--------------------------------|----------------------|
|  |               | Under \$500,000 [1]                            | \$500,000 under \$1,000,000 | \$1,000,000 under \$3,000,000 | \$3,000,000 under \$10,000,000 | \$10,000,000 or more |
|  | (1)           | (2)  | (3)                         | (4)                           | (5)                            | (6)                  |
| <b>Number of returns</b>                                       | <b>1,415</b>  | <b>1,105</b>                                   | <b>* 95</b>                 | <b>122</b>                    | <b>69</b>                      | <b>25</b>            |
| <b>Total income [3]</b>  | <b>40,267</b> | <b>3,315</b>                                   | <b>* 1,739</b>              | <b>3,104</b>                  | <b>9,543</b>                   | <b>22,567</b>        |
| Total ordinary income  | 69,855        | 5,363  | * 2,689                     | 9,397                         | 16,854                         | 35,552               |
| Interest income  | 23,479        | 1,540  | * 854                       | 4,143                         | 9,422                          | 7,519                |
| Dividends and business income (loss)                           | 45,929        | 3,750  | * 1,835                     | 5,211                         | 7,429                          | 27,704               |
| Rents, royalties, partnerships, other estates and trusts, etc. | * 333         | 0  | 0                           | * 7                           | 0                              | 326                  |
| Farm income (loss)   | 0             | 0  | 0                           | 0                             | 0                              | 0                    |
| Ordinary gain (loss)   | 0             | 0  | 0                           | 0                             | 0                              | 0                    |
| Other income   | 114           | 72   | 0                           | * 36                          | * 2                            | 3                    |
| Total capital gains (losses)                                   | -29,589       | -2,048   | * -950                      | -6,293                        | -7,311                         | -12,986              |
| Total short-term capital gains (losses)                        | -15,051       | -732   | * -70                       | -1,970                        | -5,082                         | -7,198               |
| Total long-term capital gains (losses)                         | -14,537       | -1,317   | * -880                      | -4,323                        | -2,230                         | -5,788               |
| Total nontaxable income  | * 1           | 0  | 0                           | 0                             | [2]                            | 1                    |
| Tax-exempt interest  | * 1           | 0  | 0                           | 0                             | [2]                            | 1                    |
| Other nontaxable income  | 0             | 0  | 0                           | 0                             | 0                              | 0                    |

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

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by funds filing a final return.

[2] Value is less than \$500.

[3] Calculated as the sum of "total ordinary income" (Form 5227, Part I, Section A, line 8), "total capital gains (losses)" (Section B, line 13), and "total nontaxable income" (Section C, line 16).

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

# Split-Interest Trusts, Filing Year 2009

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**Table 11. Pooled Income Funds: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009**

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

| Item   | Total            | Size of end-of-year book value of total assets |                             |                               |                                |                      |
|--|------------------|--|-----------------------------|-------------------------------|--------------------------------|----------------------|
|  |                  | Under \$500,000 [1]                            | \$500,000 under \$1,000,000 | \$1,000,000 under \$3,000,000 | \$3,000,000 under \$10,000,000 | \$10,000,000 or more |
|  | (1)              | (2)  | (3)                         | (4)                           | (5)                            | (6)                  |
| <b>Number of returns</b>                                 | <b>1,415</b>     | <b>1,105</b>                                   | <b>* 95</b>                 | <b>122</b>                    | <b>69</b>                      | <b>25</b>            |
| <b>Total net assets [2]</b>                              | <b>1,317,783</b> | <b>125,308</b>                                 | <b>* 67,368</b>             | <b>198,138</b>                | <b>381,393</b>                 | <b>545,577</b>       |
| <b>Total assets [3]</b>                                  | <b>1,468,871</b> | <b>125,543</b>                                 | <b>* 67,427</b>             | <b>199,886</b>                | <b>382,356</b>                 | <b>693,659</b>       |
| Cash   | 8,341            | 1,169  | * 213                       | 2,022                         | 1,621                          | 3,315                |
| Savings and temporary cash investments                   | 48,625           | 11,278   | * 3,467                     | 13,843                        | 6,476                          | 13,562               |
| Accounts receivable                                      | 777              | * 6  | * 56                        | * 6                           | * 10                           | 699                  |
| Receivables due from officers, directors, trustees, etc. | 0                | 0  | 0                           | 0                             | 0                              | 0                    |
| Other notes and loans receivable                         | * 12,343         | 0  | 0                           | * 36                          | 0                              | 12,307               |
| Inventories for sale or use                              | 0                | 0  | 0                           | 0                             | 0                              | 0                    |
| Prepaid expenses and deferred charges                    | * 55             | 0  | 0                           | 0                             | * 55                           | 0                    |
| <b>Total investments</b>                                 | <b>1,364,472</b> | <b>98,472</b>                                  | <b>* 56,817</b>             | <b>179,647</b>                | <b>374,194</b>                 | <b>655,343</b>       |
| <b>Securities</b>  | <b>914,681</b>   | <b>77,593</b>                                  | <b>* 48,572</b>             | <b>152,826</b>                | <b>262,222</b>                 | <b>373,468</b>       |
| Government obligations                                   | 143,101          | 11,183   | * 522                       | 14,162                        | 24,285                         | 92,949               |
| Corporate stock  | 362,512          | 28,436   | * 13,894                    | 49,122                        | 106,423                        | 164,637              |
| Corporate bonds  | 409,068          | 37,974   | * 34,156                    | 89,542                        | 131,514                        | 115,882              |
| Land, buildings, and equipment                           | * 28,145         | 0  | 0                           | 0                             | 0                              | 28,145               |
| Other investments  | 421,647          | 20,879   | * 8,245                     | 26,821                        | 111,972                        | 253,730              |
| Charitable purpose land, buildings, and equipment        | * 8,259          | 0  | 0                           | 0                             | 0                              | 8,259                |
| Other assets   | 26,000           | 14,618   | * 6,874                     | * 4,332                       | 0                              | 175                  |
| <b>Total liabilities [4]</b>                             | <b>151,088</b>   | <b>* 235</b>                                   | <b>* 60</b>                 | <b>* 1,748</b>                | <b>* 963</b>                   | <b>148,082</b>       |
| Accounts payable and accrued expenses                    | 3,982            | * 39   | * 60                        | * 14                          | 0                              | 3,869                |
| Deferred revenue   | * 110,338        | 0  | 0                           | * 1,620                       | 0                              | 108,717              |
| Loans from officers, directors, trustees, etc.           | 0                | 0  | 0                           | 0                             | 0                              | 0                    |
| Mortgages and other notes payable                        | * 32,403         | 0  | 0                           | 0                             | 0                              | 32,403               |
| Other liabilities  | 4,366            | * 196  | 0                           | * 113                         | * 963                          | 3,093                |

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

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by funds filing a final return.

[2] Taken from Form 5227, Part IV, line 59, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 50, column (b)) less total liabilities (line 56, column (b)) due to taxpayer reporting discrepancies.

[3] Taken from Form 5227, Part IV, line 50, column (b).

[4] Taken from Form 5227, Part IV, line 56, column (b).

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

# Tax-Exempt Bonds, 2008

by Aaron Barnes

State and local governments across the United States and its territories issue tax-exempt bonds to finance essential operations, facilities, infrastructure, and services for their constituents.<sup>1</sup> Tax-exempt bonds issued by State and local governments are classified as either “governmental” or “private activity,” depending on whether the proceeds are used and secured by public or private entities and resources.

The total amount of tax-exempt bonds issued by State and local governments decreased by 9.1 percent between Calendar Years 2007 and 2008, from \$516.7 billion in 2007 to \$469.4 billion in 2008. For 2008, governmental bonds accounted for \$334.4 billion (71.2 percent) of total tax-exempt bond proceeds. Private activity bonds accounted for the remaining \$135.0 billion (28.8 percent).

When a bond is issued, the issuer is obligated to repay the borrowed bond proceeds, at a specified rate of interest, by some future date. For Federal income tax purposes, investors who purchase governmental bonds and certain types of private activity bonds are able to exclude the bond interest from their gross incomes.<sup>2</sup> This tax exemption lowers the borrowing cost incurred by tax-exempt bond issuers, since holders of tax-exempt bonds are generally willing to accept an interest rate lower than that earned on comparable taxable bonds. The interest exclusion for tax-exempt bonds is not allowed for arbitrage bonds and bonds not in registered form.<sup>3, 4</sup>

*Aaron Barnes is an economist with the Special Studies Special Projects Section. This data release was prepared under the direction of Melissa Ludlum, Chief.*

Both governmental and private activity bonds are obligations issued by or on behalf of State and local governmental units; the use of the proceeds differentiates the two. Governmental bond proceeds finance essential government operations, facilities, and services that are for general public use, and the debt service on these bonds is paid from general governmental sources. Private activity bonds are issued by or on behalf of State or local governments for the purpose of financing the project of a private user. Since private activity bond proceeds are used by one or more private entities, the debt service is paid or secured by one or more private entities. Specifically, section 141(a) of the Internal Revenue Code (IRC) provides that the term private activity bond means any bond issued as part of an issue which meets: 1) the private business tests set forth in the IRC section 141(b); or 2) the private loan financing test set forth in IRC section 141(c).<sup>5</sup> Interest income earned on most private activity bonds is taxable. However, over the years, Congress has deemed certain types of private activities necessary for the public good, and, therefore, interest income earned on “qualified private activity bonds,” as defined in IRC section 141(e), is generally tax-exempt.<sup>6, 7</sup>

The data presented in this data release are based on the populations of Forms 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*, and Forms 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, filed with the Internal Revenue Service for bonds issued during Calendar Year 2008. The vast majority of these returns were filed in 2008 and 2009 for tax-exempt

<sup>1</sup> The term “State” includes the District of Columbia and any possessions of the United States.

<sup>2</sup> In addition, for State income tax purposes, most States allow for the exclusion of interest on bonds issued by government agencies within their own States, thus increasing the benefit to the bondholder.

<sup>3</sup> An arbitrage bond is one in which any portion of the proceeds is used to purchase higher-yielding investments, or is used to replace proceeds which have been used to purchase higher-yielding investments. Certain rules allow for arbitrage earnings with respect to tax-exempt bonds within a specified time period, as long as these earnings are rebated to the Department of the Treasury.

<sup>4</sup> A registered bond is defined as: “a bond whose owner is designated on records maintained by a registrar, the ownership of which cannot be transferred without the registrar recording the transfer on its records.” (From the Municipal Securities Rulemaking Board’s Glossary of Municipal Securities Terms <http://www.msrb.org/msrbl/glossary>. See also IRC section 149(a) for additional information).

<sup>5</sup> The private business tests of IRC section 141(b) define a bond as a private activity bond if both of the following criteria are met: 1) more than 10 percent of the bond proceeds are used for a private business purpose; and, 2) more than 10 percent of the bond debt service is derived from private business use and is secured by privately used property. The private loan financing test of IRC section 141(c) defines a bond as a private activity bond if the amount of the proceeds used to (directly or indirectly) finance loans to nongovernmental persons exceeds the lesser of \$5 million or 5 percent of the proceeds.

<sup>6</sup> Tax-exempt private activity bonds include “exempt facility bonds,” qualified mortgage bonds, qualified veterans’ mortgage bonds, qualified small issue bonds, qualified student loan bonds, qualified redevelopment bonds, and qualified section 501(c)(3) bonds (all of which are defined in the “Explanation of Terms” section of this article). Examples of exempt facilities include airports; docks and wharves; sewage facilities; solid waste disposal facilities; qualified residential rental projects; and facilities for the local furnishing of electricity or gas. Qualified section 501(c)(3) bonds are issued by State and local governments to finance the activities of charitable and similar organizations that are tax-exempt under IRC section 501(c)(3). The primary beneficiaries of these bonds are hospitals, universities, and organizations that provide low-income housing or assisted-living facilities.

<sup>7</sup> The interest income from qualified private activity bonds (other than qualified section 501(c)(3) bonds) is considered a tax preference for the alternative minimum tax calculations.

# Tax-Exempt Bonds, 2008

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## Tax Credit Bonds

**T**ax credit bonds differ from tax-exempt bonds in that they are not explicitly interest-bearing obligations. In lieu of receiving periodic interest payments from the issuer, a bondholder is generally allowed an annual income tax credit while the bond is outstanding. The amount of the credit is determined by multiplying the bond's credit rate by the face amount on the holder's bond. The credit rate on the bonds is determined by the Secretary of the Treasury and is an estimate of the rate that permits issuance of such bonds without discount and interest cost to the qualified issuer. The credit is includable in the bondholder's gross income (as if it were an interest payment on the bond), and it can be claimed against regular income tax liability and alternative minimum tax liability.

The Taxpayer Relief Act of 1997 created the first type of tax credit bond—the qualified zone academy bond. In 2005, two additional types—clean renewable energy bonds and Gulf tax credit bonds—were created. Since then, various legislation has authorized additional types of tax credit bonds, such as qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, Midwestern tax credit bonds, and qualified school construction bonds.<sup>1, 2</sup> Issuers of tax credit bonds are required to submit to the IRS information filings similar to those required of tax-exempt bonds issuers.

In 2008, State and local governments issued \$253 million in tax credit bonds.<sup>3</sup> This amount included \$248 million in new money long-term tax

### Total Tax-Exempt and Tax Credit Bonds, 2008

[Money amounts are in millions of dollars]

| Type of bond         | Number        | Amount         |
|----------------------|---------------|----------------|
| <b>Total [1]</b>     | <b>27,833</b> | <b>469,610</b> |
| Tax-exempt bonds     | 27,730        | 469,357        |
| Tax credit bonds [2] | 103           | 253            |

[1] Includes combined data from all government and private activity bond returns (Forms 8038-G, *Information Return for Tax-Exempt Governmental Obligations Bonds* and Forms 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*). Data contains information for new money and refunding issues, as well as short-term and long term issues.

[2] Includes data from governmental and private activity bond returns (Forms 8038-G and Forms 8038) that specifically reference "qualified zone academy" bonds or "clean renewable energy" bonds.

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

### New Money Long-Term Tax Credit Bonds, by Bond Purpose and Size of Entire Issue, 2008

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

| Bond purpose                       | All issues |            | Size of entire issue  |           |                               |           |                     |            |
|------------------------------------|------------|------------|-----------------------|-----------|-------------------------------|-----------|---------------------|------------|
|                                    |            |            | Under \$1,000,000 [1] |           | \$1,000,000 under \$5,000,000 |           | \$5,000,000 or more |            |
|                                    | Number     | Amount     | Number                | Amount    | Number                        | Amount    | Number              | Amount     |
|                                    | (1)        | (2)        | (3)                   | (4)       | (5)                           | (6)       | (7)                 | (8)        |
| <b>Total, tax credit bonds [2]</b> | <b>99</b>  | <b>248</b> | <b>36</b>             | <b>17</b> | <b>49</b>                     | <b>94</b> | <b>14</b>           | <b>136</b> |
| Qualified zone academy bonds [3]   | 71         | 143        | 29                    | 13        | 33                            | 60        | 9                   | 70         |
| Clean renewable energy bonds [3]   | 28         | 105        | 7                     | 4         | 16                            | 34        | 5                   | 66         |

[1] Forms 8038-G with an entire issue price less than \$100,000 are excluded from the study. Issuers of these bonds are instructed to file Forms 8038-GC, *Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales*. Statistics of Income (SOI) does not process data from Forms 8038-GC filed with the Internal Revenue Service.

[2] Includes combined data from all governmental and private activity bond returns (Forms 8038-G and Forms 8038).

[3] Includes data from governmental and private activity bond returns (Forms 8038-G and Forms 8038) that specifically reference "qualified zone academy" bonds or "clean renewable energy" bonds.

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

credit bonds, of which \$143 million were qualified zone academy bonds, and \$105 million were clean renewable energy bonds.

For 2008, new money long-term tax credit bonds had the following distribution by entire issue size: 36.4 percent of all tax credit bond issues were under \$1 million, almost 50.0 percent were in the \$1 million to \$5 million range, and 14.1 percent were in excess

<sup>1</sup> The Food, Conservation, and Energy Act of 2008 created qualified forestry conservation bonds. The Energy Improvement and Extension Act of 2008 produced new clean renewable energy bonds and qualified energy conservation bonds. The Tax Extenders and Alternative Minimum Tax Relief Act of 2008 created Midwestern tax credit bonds.

<sup>2</sup> Different categories of tax credit bonds vary in terms of the allowable tax credit rate, maturity, and other features. For example, clean renewable energy bonds and qualified zone academy bonds have a 100-percent tax credit subsidy; however, new clean renewable energy bonds and qualified energy conservation bonds have a 70-percent subsidy. Borrowers are likely to issue at a discount or pay taxable interest in addition to the lender receiving a tax credit.

<sup>3</sup> Issue Year 2008 data do not include direct payment bonds, such as build America bonds or recovery zone economic development bonds created by the American Recovery and Reinvestment Act of 2009. Additionally, the 2008 data do not contain any data with regard to direct payment tax credit bonds (i.e., qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, and qualified school construction bonds authorized by the Hiring Incentives to Restore Employment Act of 2010).

## Tax Credit Bonds—Continued

of \$5 million. However, more than half (\$136 million) of the total \$248 million in tax credit bond proceeds were from bonds with an entire issue size greater than \$5 million.

The five States with the highest dollar issuance of tax credit bonds were California, Florida, Mississippi, Connecticut, and North Carolina. Combined, these States issued \$89 million, or 35.9 percent of all new money long-term tax credit bonds. Florida issued the largest amount of qualified zone academy bonds, accounting for 14.7 percent (\$21 million) of the total. California issued \$32 million in clean renewable energy bonds, nearly 30.5 percent of the total, making it the largest issuer of clean renewable energy bonds.

**New Money Long-Term Tax Credit Bonds, by State of Issue and Bond Purpose, 2008**

(Money amounts are in millions of dollars)

| State                      | Total tax credit bonds |            | Qualified zone academy bonds [2] |            | Clean renewable energy bonds [2] |            |
|----------------------------|------------------------|------------|----------------------------------|------------|----------------------------------|------------|
|                            | [1]                    |            |                                  |            |                                  |            |
|                            | Number                 | Amount     | Number                           | Amount     | Number                           | Amount     |
|                            | (1)                    | (2)        | (3)                              | (4)        | (5)                              | (6)        |
| <b>Total, All States</b>   | <b>99</b>              | <b>248</b> | <b>71</b>                        | <b>143</b> | <b>28</b>                        | <b>105</b> |
| Arkansas                   | 4                      | 1          | 4                                | 1          | 0                                | 0          |
| California                 | 12                     | 39         | 4                                | 7          | 8                                | 32         |
| Connecticut                | 3                      | 9          | d                                | d          | d                                | d          |
| Florida                    | 3                      | 21         | 3                                | 21         | 0                                | 0          |
| Iowa                       | 3                      | 6          | d                                | d          | d                                | d          |
| Maine                      | 4                      | 2          | 4                                | 2          | 0                                | 0          |
| Minnesota                  | 3                      | 5          | d                                | d          | d                                | d          |
| Mississippi                | 6                      | 12         | 6                                | 12         | 0                                | 0          |
| Missouri                   | 3                      | 4          | d                                | d          | d                                | d          |
| North Carolina             | 5                      | 8          | 5                                | 8          | 0                                | 0          |
| Oklahoma                   | 7                      | 4          | 7                                | 4          | 0                                | 0          |
| South Dakota               | 4                      | 1          | 4                                | 1          | 0                                | 0          |
| West Virginia              | 5                      | 4          | 5                                | 4          | 0                                | 0          |
| Wisconsin                  | 4                      | 4          | 4                                | 4          | 0                                | 0          |
| All other States, combined | 33                     | 128        | 18                               | 66         | 15                               | 63         |

d- Data deleted to avoid disclosure of information for specific bonds when compared to other published data.

[1] Includes combined data from all governmental and private activity bond returns (Forms 8038-G and Forms 8038).

[2] Includes data from governmental and private activity bond returns (Forms 8038-G and Forms 8038) that specifically reference "qualified zone academy" bonds or "clean renewable energy" bonds.

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

bonds.<sup>8</sup> However, for 2008, the issuers of tax-credit bonds were also required to use these forms to report certain information to the IRS. For this reason, the article also includes a separate discussion of tax-credit bonds.

### Bond Volume, by Term of Issue

Bonds are classified as either short-term or long-term, depending on the length of time from issuance to maturity. Bonds having maturities of less than 13 months are typically classified as short-term, while those having maturities of 13 months or more are classified as long-term. Governmental bond issues totaled \$334.4 billion in 2008, an 11.8-percent decrease from the \$379.3 billion issued in 2007. Long-term bonds accounted for \$271.7 billion, more than 81.2 percent of all governmental bond proceeds. Long-term bonds are generally used to finance construction or other capital improvement projects.

The remaining \$62.7 billion of governmental bonds were issued for short-term projects. Most short-term governmental bonds are issued in the form of tax anticipation notes (TANs), revenue an-

icipation notes (RANs), or bond anticipation notes (BANs). TANs and RANs generally mature within 1 year of issuance, at which time the proceeds are paid from specific tax receipts or other revenue sources. The proceeds of a BAN are typically used to pay for startup costs associated with a future, long-term bond-financed project. A renewal BAN can be issued on maturity of an outstanding BAN, until, eventually, the proceeds of the future bond issue are used to pay off, or retire, the outstanding BAN. Combined, TANs, RANs, and BANs comprised 91.5 percent of all short-term governmental bond proceeds for 2008.

Tax-exempt private activity bond issues totaled \$135.0 billion in 2008, a 1.7-percent decrease from the \$137.4 billion issued in 2007. Short-term bonds accounted for almost \$2.2 billion, only 1.6 percent, of the total private activity bond proceeds for 2008.

### Long-Term Bond Volume, by Type of Issue

Total bond issuance is composed of both ("new money") nonrefunding issues and refunding issues. The proceeds of new money issues finance new capital projects, while proceeds of refunding issues retire

<sup>8</sup> Bond issuers were required to file these tax-exempt bond information returns by the 15th day of the second calendar month after the close of the calendar quarter in which the bond was issued. The study includes returns processed from January 1, 2008, to May 2, 2010, for bonds issued in 2008.

# Tax-Exempt Bonds, 2008

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outstanding debt of prior bond issues. A bond issue can include both new and refunding proceeds.

Figures A1 and A2 show total long-term issuance, as well as the split between new money and refunding proceeds, for both governmental and tax-exempt private activity bonds issued between 2004 and 2008. In 2008, 56.6 percent of all long-term governmental bond proceeds were new money issues. New money governmental bond proceeds fell by 23.2 percent to \$153.8 billion, while refunding proceeds grew by approximately 1.5 percent from \$116.1 billion in 2007 to \$117.9 billion in 2008.

In 2008, 39.5 percent of all long-term private activity bond proceeds were new money issues. Between 2007 and 2008, new money private activity bond proceeds fell by 39.4 percent to \$52.5 billion, while refunding proceeds grew by 60.6 percent from \$50.0 billion in 2007 to \$80.3 billion in 2008.

## Long-Term Bond Volume, by Selected Purpose

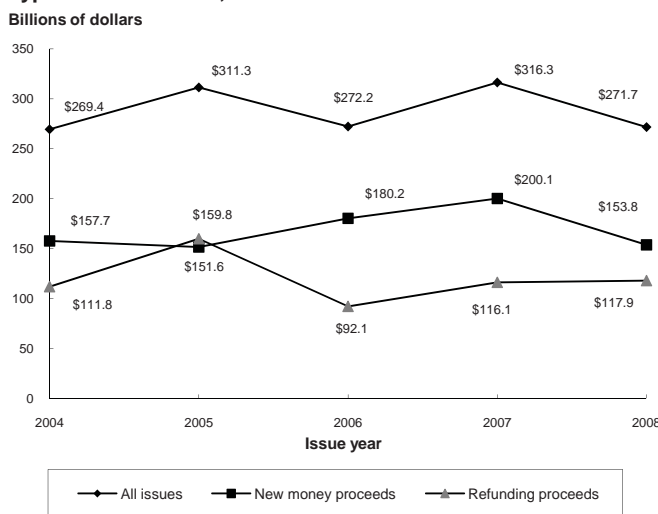
Figures B1 and B2 present the composition of long-term tax-exempt bond proceeds, by selected purpose, as well as type of issue for both governmental and

private activity bond issues. During 2008, nearly two-thirds (61.9 percent) of the total \$271.7 billion of long-term governmental bond proceeds financed education, utilities, and transportation projects. A little more than one-fourth (26.1 percent) of the long-term governmental bond proceeds were allocated for “other bond purposes” (i.e., specific purpose(s) did not apply to specific line items or were not separately allocated by the issuer). For almost all of the governmental bond purposes shown in Figure B1, more proceeds were spent financing new capital projects than were used to refund prior bond issues with the exception of “Utilities” and “Health and Hospitals.”

Qualified section 501(c)(3) bonds, which include total qualified hospital bonds and qualified nonhospital bonds issued to benefit entities exempt from income tax under IRC section 501(c)(3), combined, accounted for 65.0 percent of the \$132.8 billion of long-term private activity bonds issued for 2008. Private activity bonds issued to provide housing assistance in the form of qualified residential rental projects, qualified mortgages, and qualified veterans’ mortgage bonds accounted for another 13.3 percent of total proceeds.<sup>9</sup>

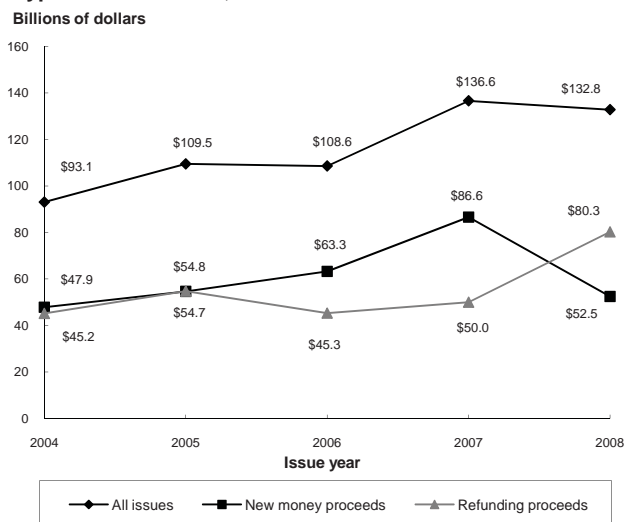
**Figures A1**

**Long-Term Governmental Bonds Issued, by Type and Issue Year, 2004-2008**



**Figures A2**

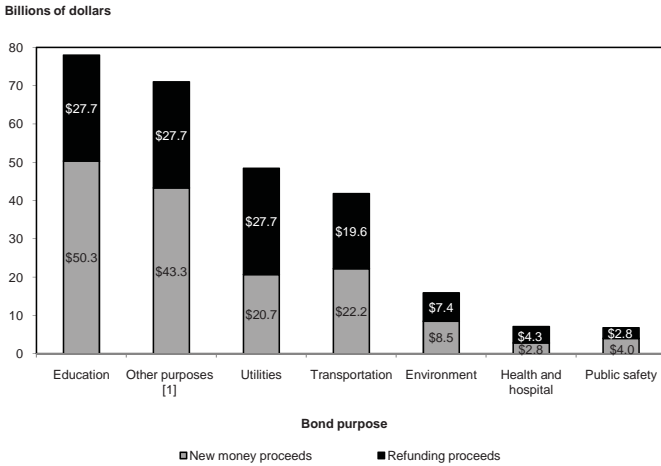
**Long-Term Private Activity Bonds Issued, by Type and Issue Year, 2004-2008**



<sup>9</sup> This figure does not include the relatively small amount of proceeds issued for qualified veterans’ mortgage bonds and Gulf Opportunity Zone mortgage bonds, which are excluded to avoid disclosure of information about specific bonds.

### Figure B1

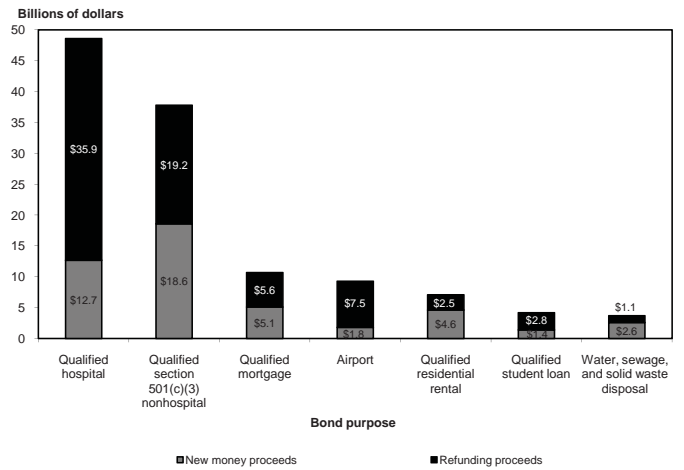
#### Long-Term Tax-Exempt Governmental Bonds, by Selected Bond Purpose and Type of Issue, 2008



[1] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G.

### Figure B2

#### Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Type of Issue, 2008



## Overview of Bond Issues, by State

Total new money long-term governmental bond volume decreased \$46.4 billion (23.2 percent) from 2007 to 2008. California experienced the largest absolute decrease (48.5 percent) in new money long-term governmental bond issues, from slightly more than \$30.9 billion in 2007 to \$15.9 billion in 2008. States with significant decreases in new money long-term governmental bond issues from 2007 to 2008 included Ohio, whose issuance fell 58.1 percent, from \$8.6 billion in 2007 to \$3.6 billion in 2008; Georgia, whose issuance decreased by 33.4 percent, from \$7.2 billion in 2007 to \$4.8 billion in 2008; and North Carolina, whose issuance fell 30.3 percent, from approximately \$5.4 billion in 2007 to \$3.8 billion in 2008. In all, 35 States reduced the amount of new money long-term governmental bonds issued from 2007 to 2008, by \$53.6 billion.

New York experienced the largest absolute increase (24.0 percent) in new money long-term governmental bond issues, from slightly more than \$12.3 billion in 2007 to \$15.3 billion in 2008. Maryland also experienced a significant increase (23.2 percent) in new long-term governmental bond issues from \$3.2 billion in 2007 to \$3.9 billion in 2008. In all, 17

States increased the amount of new money long-term governmental bonds issued from 2007 to 2008, by nearly \$7.4 billion.

Figures C1 and C2 present the amount of bonds issued for the top 15 States, in terms of total dollar volume of new money long-term tax-exempt bonds issued for 2008, for both governmental and private activity bond issuances. Combined, the top 15 States accounted for 72.2 percent of the total \$153.8 billion of new money long-term governmental bond issues for the year. About \$69.2 billion (45.0 percent) of the total were issued by authorities in the following five States: Texas (14.0 percent), California (10.4 percent), New York (10.0 percent), Florida (6.9 percent), and Illinois (3.8 percent). According to 2008 Census estimates, together, these five States accounted for almost 36.7 percent of the total U.S. population.<sup>10</sup>

An examination of issuance by State reveals some differences in the allocation of proceeds by bond purpose. Overall, for 2008, 32.7 percent of the \$153.8 billion of new money long-term governmental bonds was issued for educational purposes. However, of the total amount of new money long-term bonds issued in Texas, 50.8 percent was issued

<sup>10</sup> The resident population estimates for July 1, 2008, were produced by the U.S. Bureau of the Census and are available at <http://www.census.gov/popest/states/NST-ann-est.html>.

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## Figure C1

### New Money Long-Term Governmental Bonds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Governmental Bond Issuance, 2008

[Money amounts are in millions of dollars]

| State of issue           | Total          | Selected bond purpose |                        |                    |                        |                |                        |               |                        |              |                        |
|--------------------------|----------------|-----------------------|------------------------|--------------------|------------------------|----------------|------------------------|---------------|------------------------|--------------|------------------------|
|                          |                | Education             |                        | Other purposes [1] |                        | Transportation |                        | Utilities     |                        | Environment  |                        |
|                          | Amount         | Amount                | Percent of State total | Amount             | Percent of State total | Amount         | Percent of State total | Amount        | Percent of State total | Amount       | Percent of State total |
|                          | (1)            | (2)                   | (3)                    | (4)                | (5)                    | (6)            | (7)                    | (8)           | (9)                    | (10)         | (11)                   |
| <b>Total, All States</b> | <b>153,771</b> | <b>50,313</b>         | <b>32.7</b>            | <b>43,281</b>      | <b>28.1</b>            | <b>22,208</b>  | <b>14.4</b>            | <b>20,722</b> | <b>13.5</b>            | <b>8,509</b> | <b>5.5</b>             |
| Texas                    | 21,593         | 10,962                | 50.8                   | 3,022              | 14.0                   | 3,656          | 16.9                   | 2,882         | 13.3                   | 215          | 1.0                    |
| California               | 15,918         | 5,510                 | 34.6                   | 5,331              | 33.5                   | 1,098          | 6.9                    | 2,706         | 17.0                   | 546          | 3.4                    |
| New York                 | 15,310         | 4,392                 | 28.7                   | 5,492              | 35.9                   | 3,012          | 19.7                   | 993           | 6.5                    | 204          | 1.3                    |
| Florida                  | 10,594         | 2,725                 | 25.7                   | 4,455              | 42.1                   | 732            | 6.9                    | 1,765         | 16.7                   | 666          | 6.3                    |
| Illinois                 | 5,770          | 1,847                 | 32.0                   | 1,240              | 21.5                   | 1,659          | 28.8                   | 603           | 10.5                   | 252          | 4.4                    |
| Arizona                  | 5,688          | 1,755                 | 30.9                   | 1,285              | 22.6                   | 858            | 15.1                   | 833           | 14.6                   | d            | d                      |
| Pennsylvania             | 5,171          | 1,933                 | 37.4                   | 958                | 18.5                   | 1,291          | 25.0                   | 51            | 1.0                    | 585          | 11.3                   |
| Georgia                  | 4,813          | 1,282                 | 26.6                   | 689                | 14.3                   | 791            | 16.4                   | 925           | 19.2                   | 797          | 16.6                   |
| Washington               | 4,390          | 741                   | 16.9                   | 1,531              | 34.9                   | 949            | 21.6                   | 954           | 21.7                   | 19           | 0.4                    |
| Virginia                 | 4,199          | 1,359                 | 32.4                   | 1,381              | 32.9                   | 190            | 4.5                    | 238           | 5.7                    | 587          | 14.0                   |
| Maryland                 | 3,891          | 1,231                 | 31.6                   | 244                | 6.3                    | 1,632          | 41.9                   | 221           | 5.7                    | 368          | 9.5                    |
| North Carolina           | 3,767          | 1,269                 | 33.7                   | 883                | 23.4                   | 120            | 3.2                    | 881           | 23.4                   | 111          | 2.9                    |
| Ohio                     | 3,597          | 574                   | 16.0                   | 776                | 21.6                   | 644            | 17.9                   | 982           | 27.3                   | 525          | 14.6                   |
| New Jersey               | 3,365          | 1,022                 | 30.4                   | 608                | 18.1                   | 1,444          | 42.9                   | 117           | 3.5                    | 112          | 3.3                    |
| Minnesota                | 2,981          | 879                   | 29.5                   | 1,279              | 42.9                   | 179            | 6.0                    | 249           | 8.4                    | 150          | 5.0                    |

## Figure C2

### New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Tax-Exempt Private Activity Bond Issuance, 2008

[Money amounts are in millions of dollars]

| State of issue           | Total         | Selected bond purpose                   |                        |               |                        |              |                        |              |                              |              |                               |
|--------------------------|---------------|---|------------------------|---------------|------------------------|--------------|------------------------|--------------|------------------------------|--------------|-------------------------------|
|                          |               | Qualified section 501(c)(3) nonhospital |                        |               | Qualified hospital     |              | Qualified mortgage     |              | Qualified residential rental |              | All other bonds, combined [2] |
|                          | Amount        | Amount                                  | Percent of State total | Amount        | Percent of State total | Amount       | Percent of State total | Amount       | Percent of State total       | Amount       | Percent of State total        |
|                          | (1)           | (2)                                     | (3)                    | (4)           | (5)                    | (6)          | (7)                    | (8)          | (9)                          | (10)         | (11)                          |
| <b>Total, All States</b> | <b>52,488</b> | <b>18,600</b>                           | <b>35.4</b>            | <b>12,743</b> | <b>24.3</b>            | <b>5,076</b> | <b>9.7</b>             | <b>4,573</b> | <b>8.7</b>                   | <b>4,150</b> | <b>7.9</b>                    |
| California               | 5,488         | 1,786                                   | 32.5                   | 553           | 10.1                   | 639          | 11.6                   | 1,158        | 21.1                         | 0            | 0.0                           |
| New York                 | 5,398         | 2,654                                   | 49.2                   | 612           | 11.3                   | 291          | 5.4                    | 1,031        | 19.1                         | 368          | 6.8                           |
| Pennsylvania             | 3,030         | 1,718                                   | 56.7                   | 567           | 18.7                   | d            | d                      | d            | d                            | 0            | 0.0                           |
| Louisiana                | 2,453         | 94                                      | 3.8                    | d             | d                      | d            | d                      | 35           | 1.4                          | 2,093        | 85.3                          |
| Massachusetts            | 2,408         | 1,414                                   | 58.7                   | 552           | 22.9                   | 160          | 6.6                    | 98           | 4.1                          | d            | d                             |
| Texas                    | 2,212         | 920                                     | 41.6                   | 224           | 10.1                   | 0            | 0.0                    | 143          | 6.5                          | d            | d                             |
| Ohio                     | 2,197         | 360                                     | 16.4                   | 1,246         | 56.7                   | 357          | 16.2                   | 73           | 3.3                          | 0            | 0.0                           |
| New Jersey               | 2,089         | 622                                     | 29.8                   | 567           | 27.1                   | d            | d                      | d            | d                            | d            | d                             |
| Florida                  | 2,058         | 878                                     | 42.7                   | 194           | 9.4                    | d            | d                      | 195          | 9.5                          | 0            | 0.0                           |
| Illinois                 | 1,902         | 448                                     | 23.6                   | 1,161         | 61.0                   | 0            | 0.0                    | 156          | 8.2                          | 0            | 0.0                           |
| Virginia                 | 1,726         | 358                                     | 20.7                   | 485           | 28.1                   | d            | d                      | 79           | 4.6                          | d            | d                             |
| Missouri                 | 1,638         | 404                                     | 24.7                   | 832           | 50.8                   | d            | d                      | d            | d                            | d            | d                             |
| Georgia                  | 1,530         | 956                                     | 62.5                   | 379           | 24.8                   | d            | d                      | 88           | 5.8                          | 0            | 0.0                           |
| Maryland                 | 1,269         | 613                                     | 48.3                   | 392           | 30.9                   | 113          | 8.9                    | 113          | 8.9                          | 0            | 0.0                           |
| Minnesota                | 1,069         | 430                                     | 40.2                   | 477           | 44.6                   | d            | d                      | 42           | 3.9                          | d            | d                             |

d - Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] For purposes of this figure, "other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G. It does not include specific purposes, such as public safety and housing, that are not shown separately in the figure. See Table 1.

[2] For purposes of this figure, certain bond purposes were combined. For this reason, data in this figure will differ slightly from the data in Tables 8 and 9.

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

for education. In contrast, 28.7 percent of long-term governmental bonds issued in New York and 16.0 percent in Ohio were for the same purpose.

Transportation projects accounted for 14.4 percent of States' total new money long-term proceeds. In New Jersey, however, 42.9 percent of the total new money long-term governmental bond proceeds were for transportation, while in North Carolina, only 3.2 percent was allocated for the same purpose. Transportation bonds accounted for only 4.5 percent of Virginia's total amount of new money long-term bond issues.

Pennsylvania allocated 1.0 percent of its total amount of new money long-term bonds to utility projects, considerably less than the U.S. total (13.5 percent). In contrast, Ohio and North Carolina each spent a large portion of their total allocation on utility projects—27.3 percent and 23.4 percent, respectively.

Total new money long-term tax-exempt private activity bond volume decreased by \$34.1 billion (39.4 percent) from 2007 to 2008. California experienced the largest absolute decrease in new money long-term tax-exempt private activity bond issuance, from \$10.5 billion in 2007 to approximately \$5.5 billion in 2008. States with significant relative decreases in new money long-term tax-exempt private activity bonds from 2007 to 2008 included Texas, whose issuance fell 47.9 percent, from \$5.1 billion in 2007 to \$2.2 billion in 2008; New York, whose issuance fell 34.1 percent, from \$8.2 billion in 2007 to \$5.4 billion in 2008; and Illinois, whose issuance fell 49.7 percent, from \$3.8 billion in 2007 to \$1.9 billion in 2008. For the 45 States that reduced their issuance of new money long-term tax-exempt private activity bonds in 2008, the overall reduction totaled \$35.6 billion.

New Jersey experienced the largest relative increase (25.3 percent) in new money long-term tax-exempt private activity bond issues, from nearly \$1.7 billion in 2007 to \$2.1 billion in 2008. States with significant increases in new money long-term tax-exempt private activity bond issues from 2007 to 2008 included Missouri, whose issuance increased 17.4 percent, from \$1.4 billion in 2007 to \$1.6 billion in 2008; and Virginia, whose issuance increased 6.9 percent from \$1.6 billion in 2007 to \$1.7 billion in 2008. In all, six States increased their issuance of new money long-term tax-exempt private activity bonds from 2007 to 2008, by \$1.1 billion.

Combined, the top 15 States accounted for 69.5 percent of the total \$52.5 billion of new money long-term tax-exempt private activity bond issues for the year. Almost \$18.8 billion (35.8 percent of the total) was issued by authorities in the following five States: California (10.5 percent), New York (10.3 percent), Pennsylvania (5.8 percent), Louisiana (4.7 percent), and Massachusetts (4.6 percent). According to 2008 Census estimates, together, these five States accounted for almost 26.2 percent of the total U.S. population.

Similar to governmental bond issuance, there were differences in the composition of total new money long-term tax-exempt private activity bond issuance, by purpose, among the States. Examining the bond allocations by purpose for 2008, overall, 35.4 percent of the amount of new money long-term private activity bonds was issued for qualified IRC section 501(c)(3) nonhospital organizations. Another 24.3 percent was issued for qualified hospital bonds.

Of the total amount of new money long-term tax-exempt private activity bonds issued in Georgia, 62.5 percent was issued for IRC section 501(c)(3) nonhospital organizations, compared to 16.4 percent in Ohio and 3.8 percent in Louisiana for the same purpose. Qualified hospital bonds accounted for 61.0 percent of Illinois' new money long-term tax-exempt private activity bond issues, compared to 10.1 percent in both California and Texas. Of the top 15 States, Florida had the lowest total issuance for qualified hospitals in both dollar amount (\$194 million) and percent (9.4 percent) of its State total.

Qualified mortgage bonds accounted for 9.7 percent of all new money long-term tax-exempt private activity bonds issued in 2008, totaling almost \$5.1 billion. Ohio committed 16.2 percent of its total new money long-term private activity bond issuance toward qualified mortgages; in contrast, Texas and Illinois issued no new money long-term qualified mortgage bonds.

Together, States allocated only 8.7 percent of the \$52.5 billion of new money long-term tax-exempt private activity bonds in 2008 for qualified residential rental projects. However, both California and New York directed a much larger share of their total new money long-term proceeds to this purpose, 21.1 percent and 19.1 percent, respectively.

Tax-exempt private activity bonds are subject to State volume limitations, or volume caps. Most

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types of private activity bonds are subject to the unified State volume cap, which limits the aggregate dollar amount of bonds that each State can issue annually. For each of the qualified issue types subject to the unified volume cap, there is no specific limit on the dollar amount of issuance; rather, each State must allocate issuance authority in such a way that the combined issuance does not exceed the annual volume cap. The unified State volume cap is adjusted annually for population growth and is also indexed for inflation.<sup>11</sup> Other types of private activity bonds are subject to separate volume limitations based on the specific bond purpose, or types of projects being financed. Refunding bonds are not subject to volume cap limitations, as long as there is no increase in the principal amount of the outstanding bond. Issuers can elect to carry forward unused volume cap for a specified bond purpose, and bonds issued with respect to the specified bond purpose during the following 3 calendar years are not subject to the volume cap.

Figure D shows the total amount of new money long-term tax-exempt private activity bond issuance, new issues subject to the unified State volume cap, amounts applied from prior-year carryforward elections, and volume cap allocations, by State, for 2008. States issued \$14.9 billion of new money private activity bonds that were subject to unified State volume cap. States elected to apply a total of \$6.1 billion of volume cap carried forward from previous years. Each of the States used some amount of carryforward in 2008. Total current-year volume cap allocation for all States was \$28.8 billion. None of the States exhausted its current-year volume cap allocation, and, therefore, will have amounts to carry forward to future years.

Unlike private activity bonds, governmental bonds are generally not subject to the volume cap; however, if more than \$15 million of the proceeds of an issue are used in private use or disproportionate use, then the amount in excess of \$15 million is subject to the volume cap, and the issuer is required to report the amount of the State volume cap allocated to the governmental issue.<sup>12, 13</sup> For 2008, issuers re-

ported allocating a combined \$38.4 million of State volume cap to the total \$334.4 billion of governmental bond issues. This indicates some private business involvement, but not in an amount sufficient to satisfy the 10-percent private activity use criteria for each governmental bond issue.

### Summary

More than 24,000 tax-exempt governmental bonds were issued in 2008, raising \$334.4 billion in proceeds for public projects such as schools, transportation infrastructure, and utilities. Of the \$271.7 billion of long-term governmental bonds issued, \$153.8 billion of proceeds were used to finance new projects, while the remaining \$117.9 billion of proceeds refunded prior governmental bond issues. In addition, more than 3,400 tax-exempt private activity bonds were issued in 2008, for a total \$135.0 billion in proceeds. These tax-exempt private activity bond proceeds financed qualified private facilities (such as residential rental facilities, single family housing, and airports), as well the facilities of Internal Revenue Code section 501(c)(3) organizations (such as hospitals and private universities). Of the \$132.8 billion of long-term private activity bonds issued, \$52.5 billion of proceeds were used to finance new projects, while the remaining \$80.3 billion of proceeds refunded prior tax-exempt private activity bond issues.

### Data Sources and Limitations

The data presented in this article are based on the populations of Forms 8038 and Forms 8038-G filed with the Internal Revenue Service for bonds issued during Calendar Year 2008. The data exclude returns filed for commercial paper transactions, as well as issues that are loans from the proceeds of another tax-exempt bond issue (pooled financings). Additionally, except where specifically mentioned, the data exclude returns filed for tax credit bonds, which are treated separately for the purpose of this article.

Bond issuers were required to file these tax-exempt bond information returns by the 15<sup>th</sup> day of the second calendar month after the close of the calendar

<sup>11</sup> For 2008, the volume cap was the greater of \$85 per capita or \$262,095,000. Volume caps for U.S. possessions, with the exception of Puerto Rico, are determined under IRC section 146(d)(4).

<sup>12</sup> Disproportionate use occurs when the proceeds to be used for the private business use exceed the amount of proceeds used for the related governmental use.

<sup>13</sup> IRC section 141(b)(5) states that a governmental bond will be treated as a private activity bond if: (1) the "nonqualified amount" exceeds \$15 million, but is less than the amount needed to meet any of the private activity bond tests; and (b) the issuer does not allocate a portion of its volume cap to the issue in an amount equal to the excess of such nonqualified amount greater than \$15 million.

**Figure D**

**New Money Long-Term Tax-Exempt Private Activity Bonds, Carryforward, and Volume Cap, by State of Issue, 2008**

[Money amounts are in millions of dollars]

| State of issue           | Total amount of bonds issued | Amount subject to the unified State volume cap [1] | Amount not subject to the volume cap under a carryforward election [2] | Total volume cap allocation [3] |
|--------------------------|------------------------------|--|--|---------------------------------|
|                          | (1)                          | (2)  | (3)  | (4)                             |
| <b>Total, All States</b> | <b>52,487.5</b>              | <b>14,907.3</b>                                    | <b>6,052.0</b>   | <b>28,843.3</b>                 |
| Alabama                  | 768.1                        | 202.6  | 164.0  | 393.4                           |
| Alaska                   | 191.8                        | d  | d  | 262.1                           |
| Arizona                  | 1,044.8                      | 146.0  | d  | 538.8                           |
| Arkansas                 | 165.2                        | 50.4   | d  | 262.1                           |
| California               | 5,487.9                      | 2,361.9  | 942.2  | 3,107.0                         |
| Colorado                 | 826.6                        | 137.0  | d  | 413.2                           |
| Connecticut              | 610.8                        | 199.0  | d  | 297.7                           |
| Delaware                 | 161.3                        | 115.2  | d  | 262.1                           |
| District of Columbia     | 726.3                        | 65.3   | 60.2   | 262.1                           |
| Florida                  | 2,058.2                      | 602.4  | 530.9  | 1,551.4                         |
| Georgia                  | 1,530.3                      | 189.3  | 103.1  | 811.3                           |
| Hawaii                   | d                            | d  | d  | d                               |
| Idaho                    | 370.3                        | 175.4  | 133.8  | 262.1                           |
| Illinois                 | 1,902.0                      | 283.8  | 175.3  | 1,092.5                         |
| Indiana                  | 903.5                        | 365.2  | d  | 539.3                           |
| Iowa                     | 475.9                        | 90.1   | d  | 262.1                           |
| Kansas                   | 215.6                        | 91.6   | d  | 262.1                           |
| Kentucky                 | 803.7                        | 253.9  | d  | 360.5                           |
| Louisiana                | 2,452.7                      | 227.0  | 92.6   | 364.9                           |
| Maine                    | 253.1                        | 137.0  | 126.8  | 262.1                           |
| Maryland                 | 1,269.4                      | 264.1  | 204.8  | 477.6                           |
| Massachusetts            | 2,408.1                      | 442.2  | d  | 548.2                           |
| Michigan                 | 630.8                        | 144.7  | d  | 856.1                           |
| Minnesota                | 1,069.3                      | 161.3  | d  | 441.8                           |
| Mississippi              | 629.1                        | 69.0   | d  | 262.1                           |
| Missouri                 | 1,637.7                      | 398.7  | d  | 499.7                           |

Footnotes at end of figure.

quarter in which the bond was issued. However, in an effort to include as many applicable returns for a particular issue year as possible, the study period extended well beyond this timeframe. The study includes returns processed from January 1, 2008, to May 2, 2010, for bonds issued in 2008. Where possible, data from amended returns filed and processed before the cutoff date were included. Late-filed returns for tax-exempt bonds issued during 2008 processed after the cutoff date were not included in the statistics.

During statistical processing, returns were subject to thorough testing and correction procedures to ensure data accuracy and validity. Additional checks were conducted to identify and exclude duplicate returns. Wherever possible, returns with incomplete information, mathematical errors, or other reporting

anomalies were edited to resolve internal inconsistencies. However, in other cases, it was not possible to reconcile reporting discrepancies. Thus, some reporting and processing error may remain.

**Explanation of Selected Terms**

*Commercial paper*—Commercial paper consists of short-term notes that are continually rolled-over. Maturities average about 30 days but can extend up to 270 days. Many localities use commercial paper to raise cash needed for current transactions.

*Enterprise Zone facility bond*—Established by the passage of the Revenue Reconciliation Act of 1993, this type of exempt facility bond may be issued for certain businesses in “empowerment zones” or “enterprise communities.” Empowerment Zone and Enterprise Community designations are made by the

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Figure D—Continued

## New Money Long-Term Tax-Exempt Private Activity Bonds, Carryforward, and Volume Cap, by State of Issue, 2008—Continued

[Money amounts are in millions of dollars]

| State of issue       | Total amount of bonds issued | Amount subject to the unified State volume cap [1] | Amount not subject to the volume cap under a carryforward election [2] | Total volume cap allocation [3] |
|----------------------|------------------------------|--|--|---------------------------------|
|                      | (1)                          | (2)  | (3)  | (4)                             |
| Montana              | 538.5                        | 360.8  | 208.1  | 256.2                           |
| Nebraska             | 657.4                        | 566.7  | 500.0  | 256.2                           |
| Nevada               | 815.9                        | 302.4  | 135.9  | 256.2                           |
| New Hampshire        | 554.4                        | 265.7  | 83.1   | 256.2                           |
| New Jersey           | 1,666.7                      | 730.3  | 796.3  | 741.6                           |
| New Mexico           | 323.2                        | 278.5  | 63.6   | 256.2                           |
| New York             | 8,192.6                      | 2,020.0  | 645.5  | 1,641.0                         |
| North Carolina       | 1,434.6                      | 826.0  | 359.0  | 752.8                           |
| North Dakota         | 440.9                        | 362.7  | 305.2  | 256.2                           |
| Ohio                 | 2,638.3                      | 942.3  | 330.5  | 975.6                           |
| Oklahoma             | 461.4                        | 298.6  | 33.0   | 304.2                           |
| Oregon               | 656.6                        | 226.0  | 161.8  | 314.6                           |
| Pennsylvania         | 4,533.4                      | 1,283.7  | 508.8  | 1,057.5                         |
| Rhode Island         | 357.1                        | 262.2  | 262.6  | 256.2                           |
| South Carolina       | 862.5                        | 383.0  | 48.3   | 367.3                           |
| South Dakota         | 386.5                        | 290.5  | 240.7  | 256.2                           |
| Tennessee            | 1,787.3                      | 1,260.5  | 1,036.6  | 513.3                           |
| Texas                | 5,079.1                      | 1,848.0  | 264.3  | 1,998.2                         |
| Utah                 | 602.1                        | 292.4  | 112.8  | 256.2                           |
| Vermont              | 349.9                        | 274.6  | 27.6   | 256.2                           |
| Virginia             | 1,614.2                      | 789.1  | 561.4  | 649.6                           |
| Washington           | 2,380.2                      | 761.4  | 128.3  | 543.6                           |
| West Virginia        | 400.3                        | 248.1  | 196.8  | 256.2                           |
| Wisconsin            | 1,190.7                      | 526.1  | 275.5  | 472.3                           |
| Wyoming              | 315.7                        | 306.7  | 215.7  | 256.2                           |
| U.S. Possessions [4] | d                            | d  | d  | d                               |

d -Data deleted to avoid disclosure of information for specific bonds when compared to other published data. However, the data are included in the appropriate totals.

[1] These calculations are based on the data reported on Part II of Form 8038, for type of issue, and include the following: mass commuting facilities, water furnishing facilities, sewage facilities, solid waste disposal facilities, qualified residential rental projects, local electric energy or gas furnishing facilities, local district heating and cooling facilities, qualified hazardous waste facilities, high-speed intercity rail facilities, qualified mortgage bonds, qualified small issue bonds, qualified student loan bonds, and qualified redevelopment bonds.

No distinction was made for governmentally-owned solid waste or high-speed intercity rail facilities (which are not subject to the volume cap). As a result, figures could be slightly different. [2] As reported on Form 8038, line 44b. An issuing authority can elect to carry forward its unused volume cap for one or more carryforward purposes (see IRC section 146(f)). If the election is made, bonds issued with respect to a specified carryforward purpose are not subject to the volume cap under IRC section 146(a) during the 3 calendar years following the calendar year in which the carryforward arose, but only to the extent that the amount of such bonds does not exceed the amount of the carryforward elected for that purpose.

[3] The volume cap amount was calculated based on State population estimates produced by the U.S. Bureau of the Census and published in Internal Revenue Bulletin Number 2008-8 (Notice 2008-22). For 2008, the volume cap was the greater of \$85 per capita or \$262.1 million.

[4] U.S. possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

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

Secretaries of Agriculture and Housing and Urban Development and last for a 10-year period. The Taxpayer Relief Act of 1997 provided certain economically depressed census tracts within the District of Columbia designation as the “District of Columbia Enterprise Zone.” Qualified enterprise zone facility bonds are generally subject to the same rules as exempt facility bonds.

*Exempt facility bond*—Bond issue of which 95 percent or more of the net proceeds is used to finance a tax-exempt facility (as listed in IRC sections 142(a) (1) through (15) and 142(k)). These facilities include

airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water, sewage facilities, solid waste disposal facilities, qualified residential rental projects, facilities for the local furnishing of electric energy or gas, local district heating or cooling facilities, qualified hazardous waste facilities, high-speed intercity rail facilities, environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities.

*Governmental bond*—Any obligation issued by a State or local government unit that is not a private activity bond (see below). The interest on a govern-

mental bond is excluded from gross income under IRC section 103.

*Gulf Opportunity Zone bond*—The Gulf Opportunity Zone Act of 2005, signed into law as Public Law 109-135 on December 21, 2005, authorized a new category of tax-exempt bonds. The proceeds of such bonds are used to finance the construction and rehabilitation of certain residential and nonresidential property located in certain localities in Alabama, Louisiana, and Mississippi, designated as the “Gulf Opportunity Zone.” This area constitutes the portion of the Hurricane Katrina disaster area determined by the President to warrant individual or individual and public assistance from the Federal government, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

IRC section 1400N(a)(2) defines a qualified Gulf Opportunity Zone Bond as any bond issued as part of an issue if it meets the following requirements: (1) 95 percent or more of the net proceeds is to be used for qualified project costs, or such issue meets the requirements of a qualified mortgage issue, except as otherwise provided in IRC section 1400N(a); (2) such bond is issued by the State of Alabama, Louisiana, or Mississippi or any political subdivision thereof; (3) such bond is designated for purposes of IRC section 1400N(a) either by the Governor, or approved bond commission, of such State; (4) the bond is issued after December 21, 2005, and before January 1, 2011; and (5) no portion of the proceeds of such issue is to be used to provide any property described in IRC section 144(c)(6)(B).

Gulf Opportunity Zone bonds that meet the general requirements of a qualified mortgage bond issue, and the proceeds of such bond issues that finance residences located in the Gulf Opportunity Zone, shall be treated as qualified mortgage bonds (“Gulf Opportunity Zone Mortgage Bonds”), as described in IRC section 1400N(a)(2)(A)(ii). The Act also authorized the issuance of “Gulf Opportunity Zone Advance Refunding Bonds,” which allow for an additional advance refunding for certain bonds, issued by the States of Alabama, Louisiana, or Mississippi (or any political subdivision thereof), and outstanding on August 28, 2005. This provision was effective for bonds issued between December 21, 2005, and January 1, 2011. (See Internal Revenue Service Notice 2006-41, *Internal Revenue Bulletin* 2006-18, for additional information.)

*New York Liberty Zone bonds*—The Job Creation and Worker Assistance Act of 2002 created Section 1400L of the Internal Revenue Code of 1986 to provide various tax benefits for the area of New York City damaged or affected by the terrorist attack on September 11, 2001. IRC section 1400L(d) authorizes the issuance of an additional type of exempt facility bond, namely, “Liberty Bonds.” Liberty Bonds are subject to the following additional requirements: (1) 95 percent or more of the net proceeds of such issue must be used for qualified project costs; (2) the bond must be issued by the State of New York or any political subdivision thereof; (3) the Governor of the State of New York or the Mayor of the City of New York must designate the bond for purposes of section 1400L(d); and (4) the bond must be issued after March 9, 2002, and before January 1, 2005. The maximum aggregate face amount of bonds that may be designated as Liberty Bonds is \$8 billion.

*Nongovernmental output property bond*—Bonds used to finance the acquisition of property used by a nongovernmental entity in connection with an output facility (such as an electric or gas power project). This bond must meet additional tests under IRC section 141(d).

*Pooled financing*—An arrangement whereby a portion of the proceeds of a governmental bond issue is used to make loans to other governmental units.

*Private activity bond*—Bond issue of which more than 10 percent of the proceeds is used for any private business use, and more than 10 percent of the payment of the principal or interest is either secured by an interest in property to be used for private business use (or payment for such property), or is derived from payments for property (or borrowed money) used for a private business use. A bond is also considered a private activity bond if the amount of the proceeds used to make or finance loans (other than loans described in IRC section 141(c)(2)) to persons other than governmental units exceeds the lesser of 5 percent of the proceeds or \$5 million.

*Qualified green building and sustainable design project*—Bond issue of which 95 percent or more of the net proceeds is used to finance qualified green building and sustainable design projects, as designated by the Secretary of the Treasury, after consultation with the Administrator of the Environmental Protection Agency. The project must be nominated by a State or local government, and the issuer must

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submit a detailed application to the Treasury Department for consideration, and, on approval, allocation of a specified issuance amount. Section 701 of the American Jobs Creation Act of 2004 added IRC sections 142(a)(14) and 142(l), authorizing up to \$2 billion of tax-exempt private activity bonds, not subject to the unified volume cap, for qualified green building and sustainable design projects, to be issued between December 31, 2004, and October 1, 2009. (See Internal Revenue Service Notice 2006-41, *Internal Revenue Bulletin* 2006-18, for additional information.)

**Qualified highway or surface transfer freight facility bond**—Bond issue of which 95 percent or more of the net proceeds is used to provide qualified highway or surface freight transfer facilities. Section 11143 of the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Public Law 109-59, signed into law on August 10, 2005, added IRC sections 142(a)(15) and 142(m). Section 142(m)(1) defines the term “qualified highway or surface freight transfer facilities” as: (a) any surface transportation project that receives Federal assistance under title 23, United States Code (as in effect on August 10, 2005); (b) any project for an international bridge or tunnel for which an international entity authorized under Federal or State law is responsible and that receives Federal assistance under title 23, United States Code (as so in effect); or, (c) any facility for the transfer of freight from truck to rail or rail to truck (including any temporary storage facilities directly related to such transfers) that receives Federal assistance under either title 23 or title 49, United States Code (as so in effect). This legislation authorized issuance of up to \$15 billion of such bonds, not subject to the unified volume cap, applicable to bonds issued after August 10, 2005. Allocation of the \$15-billion national limitation is under the jurisdiction of the Department of Transportation. (See Internal Revenue Service Notice 2006-45, *Internal Revenue Bulletin* 2006-20, for additional information.)

**Qualified mortgage bond**—Bond issue of which the proceeds (except issuance costs and reasonably required reserves) are used to provide financing assistance for single-family residential property, and which meets the additional requirements in IRC section 143. Bond proceeds can be applied toward the purchase, improvement, or rehabilitation of owner-

occupied residences, as well as to finance qualified home-improvement loans.

**Qualified public educational facility bond**—Bond issue of which 95 percent or more of the net proceeds is used to provide qualified public educational facilities, defined by IRC section 142(k)(1) as any school facility that is: (a) part of a public elementary or secondary school; and (b) is owned by a private, for-profit corporation under a public-private partnership agreement with a State or local educational agency. Under a “public-private partnership agreement,” the corporation agrees to construct, rehabilitate, refurbish, or equip a school facility and, at the end of the term of the agreement, to transfer the school facility to the State or local educational agency for no additional consideration. Such bonds are not subject to the unified volume cap; rather, the annual State limit is equal to the lesser of \$10 per resident or \$5 million.

**Qualified redevelopment bond**—Bond issue of which 95 percent or more of the net proceeds is used to finance certain specified real property acquisition and redevelopment in blighted areas (see IRC section 144(c) for additional requirements).

**Qualified section 501(c)(3) bond**—Bonds issued by State and local governments to finance the activities of charitable organizations that are tax exempt under IRC section 501(c)(3). A bond must meet the following conditions to be classified as a section 501(c)(3) bond: 1) all property financed by the net proceeds of the bond issue is to be owned by a section 501(c)(3) organization or a governmental unit; and 2) the bond would not be a private activity bond if section 501(c)(3) organizations were treated as governmental units with respect to their activities that are not related trades or businesses, and the private activity bond definition was applied using a 5-percent threshold rather than a 10-percent threshold. The primary beneficiaries of these bonds are private, nonprofit hospitals, colleges, and universities. A qualified hospital bond issue is one in which 95 percent or more of the net proceeds is to be used for a hospital.

**Qualified small issue bond**—Bond issue generally not exceeding \$1 million, and of which 95 percent or more of the net proceeds is used to finance the acquisition of land and depreciable property or to refund such issues. In certain instances, an election to take certain capital expenditures into account

can increase the limit on bond size, from \$1 million to \$10 million. These bonds may only be used to finance manufacturing facilities and to benefit certain first-time farmers.

*Qualified student loan bond*—Bond issue of which 90 percent or more of the net proceeds is used to make or finance student loans under a program of general application subject to the Higher Education Act of 1965 (see IRC section 144(b)(1)(A) for additional requirements), or of which 95 percent or more of the net proceeds is used to make or finance student loans under a program of general application approved by the State (see Code section 144(b)(1)(B) for additional requirements).

*Qualified veterans' mortgage bond*— In general, a bond issue of which 95 percent or more of the net proceeds is used to finance the purchase, improvement, or rehabilitation of owner-occupied residences for veterans who: 1) served prior to January 1, 1977; and, 2) applied for such a mortgage prior to the date

30 years after leaving active service or January 31, 1985, whichever is later. The payment of interest and principal must be secured by a general obligation of the State, and the bond must meet certain of the requirements of IRC section 143. The issuance of qualified veterans' mortgage bonds was limited to the following five states: Alaska, California, Oregon, Texas, and Wisconsin, each of which had a veterans' mortgage bond program in effect prior to June 22, 1984.

*Tax Reform Act transition property bond*— A bond issued under transitional rules contained in the Tax Reform Act of 1986. Proceeds from bonds issued under these rules include issues used to fund such items as pollution control facilities, parking facilities, industrial parks, sports stadiums, and convention facilities. Proceeds from other bonds issued under the transitional rules are included in this category only if they could not be identified as another issue type.

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**Table 1. Tax-Exempt Governmental Bonds, by Type and Term of Issue, 2008**

[Money amounts are in millions of dollars]

| Type and term of issue         | Number        | Amount         |
|--------------------------------|---------------|----------------|
| <b>All issues, total [1]</b>   | <b>24,275</b> | <b>334,373</b> |
| Short-term                     | 6,780         | 62,688         |
| Long-term                      | 17,495        | 271,685        |
| <b>New money issues, total</b> | <b>19,754</b> | <b>206,027</b> |
| Short-term                     | 5,070         | 52,256         |
| Long-term                      | 14,684        | 153,771        |
| <b>Refunding issues, total</b> | <b>6,535</b>  | <b>128,346</b> |
| Short-term                     | 2,375         | 10,432         |
| Long-term                      | 4,160         | 117,914        |

[1] A given bond issue can include both new money and refunding proceeds. Thus, the number of new money issues plus the number of refunding issues will sometimes exceed the total number of issues. However, the money amounts add to the totals.

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

**Table 2. Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose and Type of Issue, 2008**

[Money amounts are in millions of dollars]

| Bond purpose                            | All issues    |                | New money issues |                | Refunding issues |                |
|---|---------------|----------------|------------------|----------------|------------------|----------------|
|   | Number        | Amount         | Number           | Amount         | Number           | Amount         |
|   | (1)           | (2)            | (3)              | (4)            | (5)              | (6)            |
| <b>Total [1]</b>                        | <b>17,495</b> | <b>271,685</b> | <b>14,684</b>    | <b>153,771</b> | <b>4,160</b>     | <b>117,914</b> |
| Education                               | 5,840         | 78,011         | 4,810            | 50,313         | 1,401            | 27,698         |
| Health and hospital                     | 388           | 7,128          | 319              | 2,808          | 102              | 4,320          |
| Transportation                          | 1,240         | 41,826         | 1,048            | 22,208         | 319              | 19,618         |
| Public safety                           | 2,210         | 6,774          | 2,090            | 3,994          | 235              | 2,780          |
| Environment                             | 1,261         | 15,902         | 984              | 8,509          | 466              | 7,393          |
| Housing                                 | 99            | 664            | 67               | 296            | 39               | 368            |
| Utilities                               | 2,059         | 48,438         | 1,573            | 20,722         | 813              | 27,716         |
| Bond and tax/revenue anticipation notes | 367           | 1,994          | 323              | 1,640          | 95               | 354            |
| Other purposes [2]                      | 5,237         | 70,948         | 4,412            | 43,281         | 1,331            | 27,667         |

[1] A given bond issue can include more than one purpose and can include both new money and refunding proceeds. Thus, the summation of number of issues by purpose or by type of issue will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] "Other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Informational Return for Tax-Exempt Governmental Obligations Bonds*.

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

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**Table 3. Computation of Lendable Proceeds for Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose, 2007**

[Money amounts are in millions of dollars]

| Bond purpose                            | Entire issue price |                | Bond issuance costs |              | Credit enhancement |            | Allocation to reserve fund |              |
|---|--------------------|----------------|---------------------|--------------|--------------------|------------|----------------------------|--------------|
|   | Number             | Amount         | Number              | Amount       | Number             | Amount     | Number                     | Amount       |
|   | (1)                | (2)            | (3)                 | (4)          | (5)                | (6)        | (7)                        | (8)          |
| <b>Total [1]</b>                        | <b>17,495</b>      | <b>271,685</b> | <b>10,316</b>       | <b>2,283</b> | <b>2,428</b>       | <b>683</b> | <b>1,149</b>               | <b>2,707</b> |
| Education                               | 5,840              | 78,011         | 3,570               | 670          | 1,098              | 168        | 182                        | 211          |
| Health and hospital                     | 388                | 7,128          | 198                 | 54           | 34                 | 11         | 31                         | 91           |
| Transportation                          | 1,240              | 41,826         | 809                 | 318          | 168                | 104        | 99                         | 605          |
| Public safety                           | 2,210              | 6,774          | 710                 | 75           | 123                | 20         | 49                         | 53           |
| Environment                             | 1,261              | 15,902         | 887                 | 116          | 171                | 42         | 122                        | 225          |
| Housing                                 | 99                 | 664            | 59                  | 5            | d                  | d          | d                          | d            |
| Utilities                               | 2,059              | 48,438         | 1,663               | 419          | 414                | 203        | 319                        | 782          |
| Bond and tax/revenue anticipation notes | 367                | 1,994          | 269                 | 9            | d                  | d          | d                          | d            |
| Other purposes [2]                      | 5,237              | 70,948         | 3,272               | 617          | 679                | 133        | 376                        | 734          |

| Bond purpose                            | Total lendable proceeds |                | Proceeds used to refund prior issues |                | Nonrefunding proceeds |                |
|---|-------------------------|----------------|--------------------------------------|----------------|-----------------------|----------------|
|   | Number                  | Amount         | Number                               | Amount         | Number                | Amount         |
|   | (9)                     | (10)           | (11)                                 | (12)           | (13)                  | (14)           |
| <b>Total [1]</b>                        | <b>17,495</b>           | <b>266,012</b> | <b>4,160</b>                         | <b>115,584</b> | <b>14,684</b>         | <b>150,428</b> |
| Education                               | 5,840                   | 76,963         | 1,401                                | 27,369         | 4,810                 | 49,593         |
| Health and hospital                     | 388                     | 6,972          | 102                                  | 4,236          | 319                   | 2,736          |
| Transportation                          | 1,240                   | 40,799         | 319                                  | 19,045         | 1,048                 | 21,754         |
| Public safety                           | 2,210                   | 6,625          | 235                                  | 2,726          | 2,090                 | 3,899          |
| Environment                             | 1,261                   | 15,520         | 466                                  | 7,284          | 984                   | 8,236          |
| Housing                                 | 99                      | 651            | 39                                   | 364            | 67                    | 287            |
| Utilities                               | 2,059                   | 47,034         | 813                                  | 27,051         | 1,573                 | 19,983         |
| Bond and tax/revenue anticipation notes | 367                     | 1,984          | 95                                   | 351            | 323                   | 1,633          |
| Other purposes [2]                      | 5,237                   | 69,464         | 1,331                                | 27,158         | 4,412                 | 42,306         |

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] "Other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, Informational Return for Tax-Exempt Governmental Obligations Bonds.

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

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**Table 4. New Money Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose and Size of Entire Issue, 2008**

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

| Bond purpose                            | All issues    |                | Size of entire issue |              |                             |              |                               |              |
|---|---------------|----------------|----------------------|--------------|-----------------------------|--------------|-------------------------------|--------------|
|   |               |                | Under \$500,000 [1]  |              | \$500,000 under \$1,000,000 |              | \$1,000,000 under \$5,000,000 |              |
|   | Number        | Amount         | Number               | Amount       | Number                      | Amount       | Number                        | Amount       |
|   | (1)           | (2)            | (3)                  | (4)          | (5)                         | (6)          | (7)                           | (8)          |
| <b>Total [2]</b>                        | <b>14,684</b> | <b>153,771</b> | <b>5,610</b>         | <b>1,318</b> | <b>1,796</b>                | <b>1,227</b> | <b>3,562</b>                  | <b>8,248</b> |
| Education                               | 4,810         | 50,313         | 1,745                | 412          | 565                         | 388          | 1,022                         | 2,318        |
| Health and hospital                     | 319           | 2,808          | 94                   | 21           | 38                          | 28           | 89                            | 193          |
| Transportation                          | 1,048         | 22,208         | 361                  | 77           | 98                          | 63           | 277                           | 518          |
| Public safety                           | 2,090         | 3,994          | 1,232                | 282          | 276                         | 186          | 319                           | 587          |
| Environment                             | 984           | 8,509          | 228                  | 54           | 120                         | 74           | 330                           | 655          |
| Housing                                 | 67            | 296            | 10                   | 2            | 14                          | 8            | 16                            | 31           |
| Utilities                               | 1,573         | 20,722         | 320                  | 83           | 174                         | 109          | 565                           | 1,149        |
| Bond and tax/revenue anticipation notes | 323           | 1,640          | 48                   | 15           | 57                          | 39           | 147                           | 344          |
| Other purposes [3]                      | 4,412         | 43,281         | 1,621                | 372          | 494                         | 332          | 1,115                         | 2,454        |

| Bond purpose                            | Size of entire issue—continued |              |                                 |               |                                 |               |                      |               |
|---|--------------------------------|--------------|---------------------------------|---------------|---------------------------------|---------------|----------------------|---------------|
|   | \$5,000,000 under \$10,000,000 |              | \$10,000,000 under \$25,000,000 |               | \$25,000,000 under \$75,000,000 |               | \$75,000,000 or more |               |
|   | Number                         | Amount       | Number                          | Amount        | Number                          | Amount        | Number               | Amount        |
|   | (9)                            | (10)         | (11)                            | (12)          | (13)                            | (14)          | (15)                 | (16)          |
| <b>Total [2]</b>                        | <b>1,474</b>                   | <b>9,833</b> | <b>1,020</b>                    | <b>14,117</b> | <b>747</b>                      | <b>28,144</b> | <b>475</b>           | <b>90,884</b> |
| Education                               | 538                            | 3,703        | 436                             | 6,011         | 338                             | 12,143        | 166                  | 25,338        |
| Health and hospital                     | 38                             | 227          | 22                              | 287           | 14                              | 342           | 24                   | 1,710         |
| Transportation                          | 106                            | 498          | 67                              | 643           | 57                              | 1,553         | 82                   | 18,856        |
| Public safety                           | 114                            | 570          | 73                              | 616           | 55                              | 1,232         | 21                   | 522           |
| Environment                             | 120                            | 637          | 78                              | 829           | 61                              | 1,775         | 47                   | 4,485         |
| Housing                                 | 15                             | 92           | 3                               | 36            | d                               | d             | d                    | d             |
| Utilities                               | 222                            | 1,143        | 117                             | 1,428         | 95                              | 3,052         | 80                   | 13,759        |
| Bond and tax/revenue anticipation notes | 39                             | 222          | 26                              | 228           | d                               | d             | d                    | d             |
| Other purposes [3]                      | 465                            | 2,741        | 331                             | 4,039         | 245                             | 7,870         | 141                  | 25,473        |

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] Form 8038-G, Informational Return for Tax-Exempt Governmental Obligations Bonds, with an entire issue price less than \$100,000 are excluded from the study. Issuers of these bonds are instructed to file Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales. Statistics of Income (SOI) does not process data from Forms 8038-GC filed with the Internal Revenue Service.

[2] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[3] "Other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Informational Return for Tax-Exempt Governmental Obligations Bonds*.

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

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**Table 5. New Money Long-Term Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2008**

[Money amounts are in millions of dollars]

| State of issue       | Bond purpose  |                |              |               |                     |              |                |               |               |              |
|----------------------|---------------|----------------|--------------|---------------|---------------------|--------------|----------------|---------------|---------------|--------------|
|                      | Total [1]     |                | Education    |               | Health and hospital |              | Transportation |               | Public safety |              |
|                      | Number        | Amount         | Number       | Amount        | Number              | Amount       | Number         | Amount        | Number        | Amount       |
|                      | (1)           | (2)            | (3)          | (4)           | (5)                 | (6)          | (7)            | (8)           | (9)           | (10)         |
| <b>All States</b>    | <b>14,684</b> | <b>153,771</b> | <b>4,810</b> | <b>50,313</b> | <b>319</b>          | <b>2,808</b> | <b>1,048</b>   | <b>22,208</b> | <b>2,090</b>  | <b>3,994</b> |
| Alabama              | 254           | 1,131          | 50           | 521           | 6                   | 11           | 21             | 37            | 27            | 12           |
| Alaska               | 30            | 308            | 11           | 105           | 0                   | 0            | d              | d             | d             | d            |
| Arizona              | 274           | 5,688          | 128          | 1,755         | d                   | d            | 17             | 858           | 41            | 413          |
| Arkansas             | 202           | 642            | 94           | 354           | d                   | d            | 7              | 8             | 15            | 18           |
| California           | 954           | 15,918         | 335          | 5,510         | 30                  | 383          | 76             | 1,098         | 106           | 288          |
| Colorado             | 262           | 2,816          | 74           | 842           | 6                   | 39           | 16             | 74            | 46            | 65           |
| Connecticut          | 113           | 2,354          | 43           | 137           | d                   | d            | 19             | 352           | 35            | 41           |
| Delaware             | 27            | 489            | d            | d             | 0                   | 0            | 11             | 174           | 7             | 17           |
| District of Columbia | 12            | 432            | 0            | 0             | 0                   | 0            | d              | d             | 0             | 0            |
| Florida              | 338           | 10,594         | 59           | 2,725         | 4                   | 52           | 23             | 732           | 59            | 158          |
| Georgia              | 398           | 4,813          | 92           | 1,282         | d                   | d            | 9              | 791           | 75            | 165          |
| Hawaii               | 12            | 725            | 0            | 0             | d                   | d            | d              | d             | 0             | 0            |
| Idaho                | 72            | 563            | 16           | 165           | 0                   | 0            | 5              | 182           | 11            | 25           |
| Illinois             | 857           | 5,770          | 425          | 1,847         | 7                   | 14           | 50             | 1,659         | 71            | 149          |
| Indiana              | 378           | 2,007          | 147          | 1,208         | 3                   | 5            | 20             | 39            | 74            | 115          |
| Iowa                 | 365           | 1,215          | 94           | 382           | d                   | d            | 23             | 34            | 22            | 59           |
| Kansas               | 257           | 1,123          | 80           | 511           | 8                   | 19           | 34             | 50            | 16            | 31           |
| Kentucky             | 243           | 1,815          | 122          | 616           | 0                   | 0            | 13             | 172           | d             | d            |
| Louisiana            | 181           | 1,012          | 31           | 368           | 15                  | 72           | 10             | 85            | 48            | 78           |
| Maine                | 125           | 442            | 53           | 56            | 0                   | 0            | 22             | 153           | d             | d            |
| Maryland             | 153           | 3,891          | 38           | 1,231         | 9                   | 69           | 17             | 1,632         | 35            | 95           |
| Massachusetts        | 239           | 1,734          | 76           | 451           | d                   | d            | d              | d             | 57            | 45           |
| Michigan             | 463           | 2,393          | 159          | 1,310         | 16                  | 34           | 32             | 80            | 50            | 88           |
| Minnesota            | 573           | 2,981          | 135          | 879           | 6                   | 35           | 46             | 179           | 31            | 160          |
| Mississippi          | 243           | 1,147          | 40           | 320           | d                   | d            | 14             | 14            | 42            | 14           |
| Missouri             | 380           | 1,799          | 144          | 714           | 13                  | 37           | 49             | 274           | 37            | 41           |
| Montana              | 63            | 176            | 19           | 71            | d                   | d            | 4              | 49            | d             | d            |
| Nebraska             | 473           | 914            | 54           | 192           | 12                  | 15           | 29             | 10            | 36            | 32           |
| Nevada               | 50            | 2,465          | 10           | 859           | 0                   | 0            | 4              | 180           | 5             | 16           |
| New Hampshire        | 77            | 428            | 22           | 17            | 0                   | 0            | 9              | 18            | 15            | 12           |
| New Jersey           | 385           | 3,365          | 211          | 1,022         | 11                  | 5            | 7              | 1,444         | 69            | 43           |
| New Mexico           | 145           | 1,486          | 48           | 344           | 6                   | 114          | 8              | 216           | 32            | 22           |
| New York             | 743           | 15,310         | 374          | 4,392         | 9                   | 441          | 44             | 3,012         | 92            | 53           |
| North Carolina       | 514           | 3,767          | 69           | 1,269         | 10                  | 174          | 18             | 120           | 161           | 317          |
| North Dakota         | 138           | 357            | 36           | 76            | d                   | d            | 10             | 9             | 0             | 0            |
| Ohio                 | 376           | 3,597          | 128          | 574           | 5                   | 35           | 30             | 644           | 57            | 45           |
| Oklahoma             | 381           | 1,838          | 279          | 762           | 11                  | 34           | 14             | 151           | 16            | 21           |
| Oregon               | 131           | 1,356          | 50           | 347           | d                   | d            | 8              | 135           | 18            | 39           |
| Pennsylvania         | 661           | 5,171          | 232          | 1,933         | d                   | d            | 35             | 1,291         | 110           | 149          |
| Rhode Island         | 35            | 328            | 7            | 125           | 0                   | 0            | d              | d             | 8             | 3            |
| South Carolina       | 226           | 1,381          | 52           | 396           | 6                   | 64           | d              | d             | 62            | 88           |
| South Dakota         | 68            | 304            | 16           | 54            | d                   | d            | 5              | 2             | 6             | 17           |
| Tennessee            | 199           | 1,734          | 42           | 292           | 4                   | 61           | d              | d             | 32            | 48           |
| Texas                | 1,302         | 21,593         | 378          | 10,962        | 34                  | 447          | 57             | 3,656         | 156           | 403          |
| Utah                 | 149           | 1,692          | 21           | 290           | 6                   | 29           | 16             | 749           | 25            | 106          |
| Vermont              | 79            | 123            | 16           | 75            | 0                   | 0            | 8              | 2             | 15            | 3            |
| Virginia             | 238           | 4,199          | 86           | 1,359         | 7                   | 135          | 14             | 190           | 53            | 232          |
| Washington           | 199           | 4,390          | 55           | 741           | 9                   | 55           | 19             | 949           | 26            | 92           |
| West Virginia        | 104           | 243            | 9            | 125           | 0                   | 0            | 5              | 1             | 46            | 34           |
| Wisconsin            | 482           | 2,435          | 118          | 533           | 11                  | 43           | 110            | 455           | 84            | 92           |
| Wyoming              | 54            | 188            | 29           | 37            | 6                   | 13           | d              | d             | 6             | 2            |
| U.S. Possessions [3] | 7             | 1,129          | d            | d             | 0                   | 0            | 0              | 0             | d             | d            |

Footnotes at end of table.

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**Table 5. New Money Long-Term Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2008—Continued**

[Money amounts are in millions of dollars]

| State of issue       | Bond purpose—continued |                |                |                |                |                |   |                |                    |                |
|----------------------|------------------------|----------------|----------------|----------------|----------------|----------------|---|----------------|--------------------|----------------|
|                      | Environment            |                | Housing        |                | Utilities      |                | Bond and tax/revenue anticipation notes |                | Other purposes [4] |                |
|                      | Number<br>(11)         | Amount<br>(12) | Number<br>(13) | Amount<br>(14) | Number<br>(15) | Amount<br>(16) | Number<br>(17)                          | Amount<br>(18) | Number<br>(19)     | Amount<br>(20) |
| <b>All States</b>    | <b>984</b>             | <b>8,509</b>   | <b>67</b>      | <b>296</b>     | <b>1,573</b>   | <b>20,722</b>  | <b>323</b>                              | <b>1,640</b>   | <b>4,412</b>       | <b>43,281</b>  |
| Alabama              | d                      | d              | 3              | 2              | 43             | 165            | d                                       | d              | 112                | 371            |
| Alaska               | d                      | d              | 0              | 0              | 0              | 0              | 0                                       | 0              | 17                 | 202            |
| Arizona              | d                      | d              | 0              | 0              | 8              | 833            | 0                                       | 0              | 77                 | 1,285          |
| Arkansas             | 14                     | 82             | d              | d              | 47             | 126            | 0                                       | 0              | 35                 | 48             |
| California           | 45                     | 546            | d              | d              | 66             | 2,706          | d                                       | d              | 292                | 5,331          |
| Colorado             | 6                      | 24             | 3              | 8              | 18             | 918            | 0                                       | 0              | 93                 | 845            |
| Connecticut          | 17                     | 61             | d              | d              | 5              | 234            | 3                                       | 7              | 45                 | 1,520          |
| Delaware             | d                      | d              | d              | d              | 3              | 41             | d                                       | d              | d                  | d              |
| District of Columbia | 0                      | 0              | 0              | 0              | 0              | 0              | 0                                       | 0              | d                  | d              |
| Florida              | 24                     | 666            | 0              | 0              | 42             | 1,765          | 4                                       | 42             | 124                | 4,455          |
| Georgia              | 69                     | 797            | d              | d              | 45             | 925            | 0                                       | 0              | 107                | 689            |
| Hawaii               | 0                      | 0              | 0              | 0              | d              | d              | 0                                       | 0              | 4                  | 588            |
| Idaho                | 8                      | 65             | 0              | 0              | 10             | 92             | 9                                       | 17             | 13                 | 17             |
| Illinois             | 26                     | 252            | 0              | 0              | 53             | 603            | 3                                       | 6              | 239                | 1,240          |
| Indiana              | 26                     | 38             | 0              | 0              | 16             | 108            | 15                                      | 34             | 79                 | 460            |
| Iowa                 | 22                     | 181            | d              | d              | 41             | 60             | 30                                      | 83             | 145                | 378            |
| Kansas               | 28                     | 141            | 0              | 0              | 31             | 48             | 16                                      | 33             | 84                 | 290            |
| Kentucky             | d                      | d              | d              | d              | 24             | 122            | 19                                      | 75             | 33                 | 799            |
| Louisiana            | 17                     | 25             | 0              | 0              | 15             | 139            | 3                                       | 5              | 44                 | 238            |
| Maine                | 5                      | 12             | 0              | 0              | d              | d              | 10                                      | 26             | 28                 | 186            |
| Maryland             | 41                     | 368            | 4              | 16             | 13             | 221            | 4                                       | 16             | 62                 | 244            |
| Massachusetts        | 43                     | 59             | 3              | 91             | 43             | 103            | 27                                      | 72             | 124                | 865            |
| Michigan             | 66                     | 279            | 6              | 10             | 37             | 178            | 4                                       | 1              | 94                 | 413            |
| Minnesota            | 33                     | 150            | 5              | 6              | 68             | 249            | 23                                      | 44             | 249                | 1,279          |
| Mississippi          | 10                     | 25             | 0              | 0              | 9              | 15             | d                                       | d              | 119                | 752            |
| Missouri             | 11                     | 73             | 0              | 0              | 38             | 188            | 0                                       | 0              | 91                 | 471            |
| Montana              | 6                      | 11             | 0              | 0              | 6              | 2              | d                                       | d              | 24                 | 39             |
| Nebraska             | d                      | d              | d              | d              | 44             | 450            | 24                                      | 44             | 271                | 163            |
| Nevada               | 9                      | 339            | 0              | 0              | 8              | 538            | 0                                       | 0              | 14                 | 533            |
| New Hampshire        | 5                      | 14             | 0              | 0              | 3              | 3              | 3                                       | 9              | 34                 | 354            |
| New Jersey           | 13                     | 112            | 0              | 0              | 19             | 117            | 4                                       | 14             | 85                 | 608            |
| New Mexico           | 12                     | 40             | 0              | 0              | 10             | 72             | 0                                       | 0              | 29                 | 676            |
| New York             | 15                     | 204            | 3              | 18             | 24             | 993            | 15                                      | 704            | 181                | 5,492          |
| North Carolina       | 28                     | 111            | 0              | 0              | 57             | 881            | 3                                       | 12             | 191                | 883            |
| North Dakota         | 9                      | 132            | d              | d              | 58             | 123            | d                                       | d              | 20                 | 8              |
| Ohio                 | 28                     | 525            | 3              | 1              | 14             | 982            | 4                                       | 16             | 122                | 776            |
| Oklahoma             | 7                      | 17             | 0              | 0              | 22             | 654            | 0                                       | 0              | 42                 | 199            |
| Oregon               | 7                      | 366            | d              | d              | 12             | 171            | 3                                       | 14             | 31                 | 277            |
| Pennsylvania         | 104                    | 585            | d              | d              | 34             | 51             | 9                                       | 35             | 148                | 958            |
| Rhode Island         | 4                      | 49             | d              | d              | d              | d              | 0                                       | 0              | 16                 | 128            |
| South Carolina       | 16                     | 47             | d              | d              | 13             | 428            | d                                       | d              | 82                 | 329            |
| South Dakota         | 4                      | 46             | d              | d              | 19             | 71             | 0                                       | 0              | 15                 | 104            |
| Tennessee            | 7                      | 49             | d              | d              | 57             | 566            | 19                                      | 39             | 56                 | 645            |
| Texas                | 36                     | 215            | 0              | 0              | 295            | 2,882          | 3                                       | 7              | 363                | 3,022          |
| Utah                 | 5                      | 93             | d              | d              | 33             | 252            | d                                       | d              | 38                 | 158            |
| Vermont              | 8                      | 4              | 0              | 0              | 10             | 7              | 3                                       | 1              | 19                 | 31             |
| Virginia             | 29                     | 587            | 0              | 0              | 22             | 238            | 9                                       | 77             | 60                 | 1,381          |
| Washington           | 5                      | 19             | 3              | 12             | 36             | 954            | 10                                      | 36             | 46                 | 1,531          |
| West Virginia        | 9                      | 25             | 0              | 0              | 11             | 3              | 6                                       | 5              | 20                 | 50             |
| Wisconsin            | 85                     | 522            | 4              | 2              | 84             | 141            | 25                                      | 124            | 170                | 523            |
| Wyoming              | d                      | d              | 0              | 0              | d              | d              | 0                                       | 0              | 8                  | 55             |
| U.S. Possessions [3] | 0                      | 0              | 0              | 0              | d              | d              | 0                                       | 0              | 4                  | 888            |

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] U.S. possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

[3] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Informational Return for Tax-Exempt Governmental Obligations Bonds*.

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

**Table 6. Tax-Exempt Private Activity Bonds, by Type and Term of Issue, 2008**

[Money amounts are in millions of dollars]

| Type and term of issue         | Number       | Amount         |
|--------------------------------|--------------|----------------|
| <b>All issues, total [1]</b>   | <b>3,455</b> | <b>134,984</b> |
| Short-term                     | 76           | 2,161          |
| Long-term                      | 3,379        | 132,823        |
| <b>New money issues, total</b> | <b>2,494</b> | <b>53,276</b>  |
| Short-term                     | 40           | 789            |
| Long-term                      | 2,454        | 52,488         |
| <b>Refunding issues, total</b> | <b>1,462</b> | <b>81,708</b>  |
| Short-term                     | 39           | 1,372          |
| Long-term                      | 1,423        | 80,336         |

[1] A given bond issue can include both new money and refunding proceeds. Thus, the number of new money issues plus the number of refunding issues will sometimes exceed the total number of issues. However, the money amounts add to the totals.

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

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**Table 7. Long-Term Tax-Exempt Private Activity Bonds, by Bond Purpose and Type of Issue, 2008**

[Money amounts are in millions of dollars]

| Bond purpose   | All issues   |                | New money issues |               | Refunding issues |               |
|--|--------------|----------------|------------------|---------------|------------------|---------------|
|  | Number       | Amount         | Number           | Amount        | Number           | Amount        |
|  | (1)          | (2)            | (3)              | (4)           | (5)              | (6)           |
| <b>Total [1]</b>   | <b>3,379</b> | <b>132,823</b> | <b>2,454</b>     | <b>52,488</b> | <b>1,423</b>     | <b>80,336</b> |
| Airports   | 74           | 9,209          | 31               | 1,753         | 54               | 7,457         |
| Docks and wharves  | 24           | 1,244          | 15               | 345           | 11               | 899           |
| Water, sewage, and solid waste disposal facilities                       | 117          | 3,643          | 88               | 2,575         | 35               | 1,068         |
| Qualified residential rental facilities                                  | 391          | 7,030          | 312              | 4,573         | 87               | 2,456         |
| Local electricity or gas furnishing facilities                           | 11           | 399            | d                | d             | d                | d             |
| 2008 Housing Act under section 142 and section 143                       | 6            | 232            | d                | d             | d                | d             |
| Tax Reform Act of 1986 transition property bonds                         | 66           | 4,137          | d                | d             | d                | d             |
| Qualified highway or surface freight transfer facilities                 | d            | d              | d                | d             | d                | d             |
| Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage bonds | 62           | 2,949          | d                | d             | d                | d             |
| Qualified New York Liberty Zone bonds                                    | d            | d              | d                | d             | d                | d             |
| Qualified mortgage bonds   | 143          | 10,669         | 94               | 5,076         | 100              | 5,593         |
| Qualified veterans' mortgage bonds                                       | 4            | 135            | d                | d             | d                | d             |
| Qualified small issue bonds  | 584          | 1,391          | 512              | 1,270         | 85               | 121           |
| Qualified student loan bonds   | 24           | 4,213          | 14               | 1,404         | 16               | 2,809         |
| Qualified hospital facilities  | 484          | 48,598         | 259              | 12,743        | 320              | 35,855        |
| Qualified section 501(c)(3) nonhospital bonds                            | 1,434        | 37,782         | 1,084            | 18,600        | 672              | 19,183        |
| Nongovernmental output property bonds                                    | d            | d              | 0                | 0             | d                | d             |
| Gulf Opportunity Zone advance refunding bonds                            | d            | d              | 0                | 0             | d                | d             |
| Other purposes [2]   | 11           | 383            | 7                | 57            | 5                | 326           |

d - Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose and can include both new money and refunding proceeds. Thus, the summation of number of issues by purpose or by type of issue will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For this table, "other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, *Informational Return for Tax-Exempt Private Activity Bond Issues*.

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

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**Table 8. Computation of Lendable Proceeds for Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, 2008**

[Money amounts are in millions of dollars]

| Selected bond purpose                              | Entire issue price |                | Bond issuance costs |            | Credit enhancement |            | Allocation to reserve fund |              |
|--|--------------------|----------------|---------------------|------------|--------------------|------------|----------------------------|--------------|
|  | Number             | Amount         | Number              | Amount     | Number             | Amount     | Number                     | Amount       |
|  | (1)                | (2)            | (3)                 | (4)        | (5)                | (6)        | (7)                        | (8)          |
| <b>Total [1]</b>                                   | <b>3,379</b>       | <b>132,823</b> | <b>1,996</b>        | <b>839</b> | <b>803</b>         | <b>362</b> | <b>365</b>                 | <b>1,459</b> |
| Airports   | 74                 | 9,209          | 58                  | 54         | 29                 | 52         | 24                         | 227          |
| Docks and wharves                                  | 24                 | 1,244          | d                   | d          | 5                  | 3          | d                          | d            |
| Water, sewage, and solid waste disposal facilities | 117                | 3,643          | 66                  | 26         | 22                 | 7          | 16                         | 23           |
| Qualified residential rental facilities            | 391                | 7,030          | 87                  | 21         | 26                 | 6          | 16                         | 39           |
| Qualified mortgage bonds                           | 143                | 10,669         | 34                  | 18         | 3                  | [2]        | 33                         | 63           |
| Qualified small issue bonds                        | 584                | 1,391          | 199                 | 15         | d                  | d          | d                          | d            |
| Qualified student loan bonds                       | 24                 | 4,213          | d                   | d          | d                  | d          | 7                          | 50           |
| Qualified hospital facilities                      | 484                | 48,598         | 375                 | 350        | 176                | 169        | 68                         | 626          |
| Qualified section 501(c)(3) nonhospital bonds      | 1,434              | 37,782         | 1,140               | 318        | 472                | 105        | 203                        | 428          |
| All other bonds, combined [3]                      | 164                | 9,044          | 59                  | 27         | 23                 | 12         | 7                          | 3            |

| Selected bond purpose                              | Total lendable proceeds |                | Proceeds used to refund prior issues |               | Nonrefunding proceeds |               |
|--|-------------------------|----------------|--------------------------------------|---------------|-----------------------|---------------|
|  | Number                  | Amount         | Number                               | Amount        | Number                | Amount        |
|  | (9)                     | (10)           | (11)                                 | (12)          | (13)                  | (14)          |
| <b>Total [1]</b>                                   | <b>3,379</b>            | <b>130,164</b> | <b>1,423</b>                         | <b>78,933</b> | <b>2,520</b>          | <b>51,230</b> |
| Airports   | 74                      | 8,876          | 54                                   | 7,196         | 33                    | 1,680         |
| Docks and wharves                                  | 24                      | 1,234          | 11                                   | 894           | 17                    | 340           |
| Water, sewage, and solid waste disposal facilities | 117                     | 3,587          | 35                                   | 1,068         | 88                    | 2,519         |
| Qualified residential rental facilities            | 391                     | 6,963          | 87                                   | 2,420         | 313                   | 4,543         |
| Qualified mortgage bonds                           | 143                     | 10,588         | 100                                  | 5,566         | 95                    | 5,021         |
| Qualified small issue bonds                        | 584                     | 1,372          | 85                                   | 121           | 512                   | 1,251         |
| Qualified student loan bonds                       | 24                      | 4,157          | 16                                   | 2,797         | 14                    | 1,361         |
| Qualified hospital facilities                      | 484                     | 47,453         | 320                                  | 35,137        | 278                   | 12,315        |
| Qualified section 501(c)(3) nonhospital bonds      | 1,434                   | 36,932         | 672                                  | 18,842        | 1,129                 | 18,089        |
| All other bonds, combined [3]                      | 164                     | 9,002          | 87                                   | 4,891         | 81                    | 4,111         |

d—Data deleted to avoid disclosure of information for specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] Indicates an amount less than \$500,000.

[3] For purposes of this table, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, Informational Return for Tax-Exempt Private Activity Bond Issues, as well as bonds issued for: local electricity or gas furnishing facilities, facilities issued under a transitional rule of the Tax Reform Act of 1986, qualified highway or surface freight transfer facilities, Gulf Opportunity Zone bonds, Gulf Opportunity Zone mortgage bonds, New York Liberty Zone bonds, qualified veterans' mortgage bonds, nongovernmental output property bonds, Gulf Opportunity Zone advance refunding bonds, and 2008 Housing Act bonds issued under IRC section 142 or 143.

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

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**Table 9. New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Size of Entire Issue, 2008**

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

| Selected bond purpose                              | All issues   |               | Size of entire issue |           |                               |              |                                |              |
|--|--------------|---------------|----------------------|-----------|-------------------------------|--------------|--------------------------------|--------------|
|  |              |               | Under \$1,000,000    |           | \$1,000,000 under \$5,000,000 |              | \$5,000,000 under \$10,000,000 |              |
|  | Number       | Amount        | Number               | Amount    | Number                        | Amount       | Number                         | Amount       |
|  | (1)          | (2)           | (3)                  | (4)       | (5)                           | (6)          | (7)                            | (8)          |
| <b>Total [1]</b>                                   | <b>2,454</b> | <b>52,488</b> | <b>337</b>           | <b>93</b> | <b>579</b>                    | <b>1,540</b> | <b>497</b>                     | <b>3,255</b> |
| Airports   | 31           | 1,753         | d                    | d         | 10                            | 30           | 5                              | 32           |
| Docks and wharves                                  | 15           | 345           | d                    | d         | d                             | d            | 3                              | 25           |
| Water, sewage, and solid waste disposal facilities | 88           | 2,575         | 4                    | 1         | 15                            | 46           | 7                              | 45           |
| Qualified residential rental facilities            | 312          | 4,573         | d                    | d         | 69                            | 214          | 94                             | 687          |
| Qualified mortgage bonds                           | 94           | 5,076         | 0                    | 0         | d                             | d            | 0                              | 0            |
| Qualified small issue bonds                        | 512          | 1,270         | 260                  | 53        | 133                           | 359          | 91                             | 588          |
| Qualified student loan bonds                       | 14           | 1,404         | 0                    | 0         | 0                             | 0            | 0                              | 0            |
| Qualified hospital facilities                      | 259          | 12,743        | 7                    | 4         | 38                            | 107          | 30                             | 226          |
| Qualified section 501(c)(3) nonhospital bonds      | 1,084        | 18,600        | 55                   | 30        | 299                           | 738          | 248                            | 1,520        |
| All other bonds, combined [2]                      | 81           | 4,150         | d                    | d         | d                             | d            | 19                             | 132          |

| Selected bond purpose                              | Size of entire issue—continued  |              |                                 |               |                                  |               |                       |               |
|--|---------------------------------|--------------|---------------------------------|---------------|----------------------------------|---------------|-----------------------|---------------|
|  | \$10,000,000 under \$25,000,000 |              | \$25,000,000 under \$50,000,000 |               | \$50,000,000 under \$100,000,000 |               | \$100,000,000 or more |               |
|  | Number                          | Amount       | Number                          | Amount        | Number                           | Amount        | Number                | Amount        |
|  | (9)                             | (10)         | (11)                            | (12)          | (13)                             | (14)          | (15)                  | (16)          |
| <b>Total [1]</b>                                   | <b>713</b>                      | <b>9,646</b> | <b>365</b>                      | <b>10,321</b> | <b>261</b>                       | <b>13,122</b> | <b>287</b>            | <b>46,334</b> |
| Airports   | 5                               | 75           | d                               | d             | 3                                | 172           | 15                    | 3,202         |
| Docks and wharves                                  | 0                               | 0            | d                               | d             | d                                | d             | d                     | d             |
| Water, sewage, and solid waste disposal facilities | 5                               | 77           | 3                               | 125           | d                                | d             | 0                     | 0             |
| Qualified residential rental facilities            | d                               | d            | 0                               | 0             | 3                                | 89            | d                     | d             |
| Qualified mortgage bonds                           | 35                              | 554          | 28                              | 971           | 16                               | 972           | 7                     | 660           |
| Qualified small issue bonds                        | 168                             | 2,445        | 44                              | 1,463         | 14                               | 790           | 8                     | 1,267         |
| Qualified student loan bonds                       | 16                              | 240          | 10                              | 326           | 14                               | 658           | 9                     | 2,581         |
| Qualified hospital facilities                      | d                               | d            | 72                              | 1,922         | 71                               | 3,065         | 69                    | 7,828         |
| Qualified section 501(c)(3) nonhospital bonds      | 0                               | 0            | d                               | d             | d                                | d             | 0                     | 0             |
| All other bonds, combined [2]                      | 60                              | 585          | 0                               | 0             | 0                                | 0             | 0                     | 0             |

d - Data deleted to avoid disclosure of information for specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

# Tax-Exempt Bonds, 2008

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**Table 10. New Money Long-Term Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2008**

[Money amounts are in millions of dollars]

| State of issue       | Total [1]    |               | Selected bond purpose            |              |   |              |                              |              |  |              |
|----------------------|--------------|---------------|----------------------------------|--------------|---|--------------|------------------------------|--------------|--|--------------|
|                      |              |               | Airports, docks, and wharves [2] |              | Water, sewage, and solid waste disposal [2] |              | Qualified residential rental |              | Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage |              |
|                      | Number       | Amount        | Number                           | Amount       | Number                                      | Amount       | Number                       | Amount       | Number   | Amount       |
|                      | (1)          | (2)           | (3)                              | (4)          | (5)   | (6)          | (7)                          | (8)          | (9)  | (10)         |
| <b>All States</b>    | <b>2,454</b> | <b>52,488</b> | <b>46</b>                        | <b>2,097</b> | <b>88</b>                                   | <b>2,575</b> | <b>312</b>                   | <b>4,573</b> | <b>94</b>  | <b>5,076</b> |
| Alabama              | 31           | 768           | d                                | d            | 4   | 145          | 0                            | 0            | d  | d            |
| Alaska               | 5            | 192           | 0                                | 0            | 0   | 0            | 0                            | 0            | d  | d            |
| Arizona              | 30           | 1,045         | d                                | d            | 4   | 43           | d                            | d            | 4  | 92           |
| Arkansas             | 15           | 165           | 0                                | 0            | 0   | 0            | 0                            | 0            | d  | d            |
| California           | 213          | 5,488         | d                                | d            | 16  | 451          | 97                           | 1,158        | 4  | 639          |
| Colorado             | 64           | 827           | d                                | d            | 0   | 0            | d                            | d            | 0  | 0            |
| Connecticut          | 23           | 611           | 0                                | 0            | 0   | 0            | d                            | d            | d  | d            |
| Delaware             | 11           | 161           | d                                | d            | 0   | 0            | d                            | d            | d  | d            |
| District of Columbia | 18           | 726           | 0                                | 0            | 0   | 0            | d                            | d            | 0  | 0            |
| Florida              | 95           | 2,058         | 8                                | 384          | d   | d            | 22                           | 195          | d  | d            |
| Georgia              | 56           | 1,530         | d                                | d            | d   | d            | 7                            | 88           | d  | d            |
| Hawaii               | d            | d             | 0                                | 0            | 0   | 0            | d                            | d            | 0  | 0            |
| Idaho                | 11           | 370           | 0                                | 0            | 0   | 0            | 0                            | 0            | 4  | 175          |
| Illinois             | 148          | 1,902         | d                                | d            | d   | d            | 11                           | 156          | 0  | 0            |
| Indiana              | 48           | 903           | d                                | d            | 5   | 232          | 3                            | 33           | d  | d            |
| Iowa                 | 123          | 476           | 0                                | 0            | d   | d            | d                            | d            | d  | d            |
| Kansas               | 60           | 216           | 0                                | 0            | 0   | 0            | d                            | d            | d  | d            |
| Kentucky             | 47           | 804           | d                                | d            | d   | d            | 5                            | 36           | d  | d            |
| Louisiana            | 54           | 2,453         | d                                | d            | d   | d            | 3                            | 35           | d  | d            |
| Maine                | 12           | 253           | 0                                | 0            | 0   | 0            | d                            | d            | 3  | 92           |
| Maryland             | 49           | 1,269         | 0                                | 0            | d   | d            | 11                           | 113          | 3  | 113          |
| Massachusetts        | 99           | 2,408         | 0                                | 0            | d   | d            | 6                            | 98           | 3  | 160          |
| Michigan             | 53           | 631           | d                                | d            | d   | d            | 0                            | 0            | 0  | 0            |
| Minnesota            | 89           | 1,069         | d                                | d            | d   | d            | 8                            | 42           | d  | d            |
| Mississippi          | 31           | 629           | 0                                | 0            | 0   | 0            | 3                            | 17           | d  | d            |
| Missouri             | 50           | 1,638         | 0                                | 0            | d   | d            | d                            | d            | d  | d            |
| Montana              | 11           | 138           | 0                                | 0            | 0   | 0            | d                            | d            | d  | d            |
| Nebraska             | 33           | 230           | 0                                | 0            | d   | d            | 0                            | 0            | d  | d            |
| Nevada               | 5            | 112           | 0                                | 0            | 0   | 0            | d                            | d            | d  | d            |
| New Hampshire        | 24           | 399           | 0                                | 0            | 0   | 0            | d                            | d            | 4  | 99           |
| New Jersey           | 54           | 2,089         | 0                                | 0            | d   | d            | d                            | d            | d  | d            |
| New Mexico           | 5            | 205           | 0                                | 0            | 0   | 0            | d                            | d            | d  | d            |
| New York             | 133          | 5,398         | d                                | d            | d   | d            | 25                           | 1,031        | 3  | 291          |
| North Carolina       | 33           | 549           | d                                | d            | d   | d            | d                            | d            | d  | d            |
| North Dakota         | 19           | 307           | 0                                | 0            | 0   | 0            | 0                            | 0            | d  | d            |
| Ohio                 | 81           | 2,197         | 0                                | 0            | 6   | 125          | 12                           | 73           | 4  | 357          |
| Oklahoma             | 6            | 210           | 0                                | 0            | 0   | 0            | 0                            | 0            | d  | d            |
| Oregon               | 21           | 511           | 0                                | 0            | d   | d            | 7                            | 27           | d  | d            |
| Pennsylvania         | 197          | 3,030         | 0                                | 0            | 4   | 252          | d                            | d            | d  | d            |
| Rhode Island         | 13           | 287           | d                                | d            | 0   | 0            | 0                            | 0            | d  | d            |
| South Carolina       | 18           | 272           | 0                                | 0            | 3   | 86           | 3                            | 41           | 0  | 0            |
| South Dakota         | 21           | 266           | 0                                | 0            | d   | d            | 0                            | 0            | d  | d            |
| Tennessee            | 36           | 678           | 0                                | 0            | 0   | 0            | 9                            | 41           | 3  | 120          |
| Texas                | 87           | 2,212         | 6                                | 90           | 17  | 618          | 12                           | 143          | 0  | 0            |
| Utah                 | 18           | 236           | 0                                | 0            | 0   | 0            | 0                            | 0            | 5  | 68           |
| Vermont              | 15           | 234           | 0                                | 0            | 0   | 0            | 4                            | 4            | d  | d            |
| Virginia             | 46           | 1,726         | d                                | d            | d   | d            | 7                            | 79           | d  | d            |
| Washington           | 58           | 784           | 5                                | 128          | d   | d            | 14                           | 137          | d  | d            |
| West Virginia        | 17           | 351           | 0                                | 0            | d   | d            | d                            | d            | d  | d            |
| Wisconsin            | 61           | 875           | 0                                | 0            | 0   | 0            | d                            | d            | d  | d            |
| Wyoming              | 3            | 72            | 0                                | 0            | 0   | 0            | 0                            | 0            | d  | d            |
| U.S. Possessions [4] | d            | d             | 0                                | 0            | 0   | 0            | d                            | d            | 0  | 0            |

Footnotes at end of table.

# Tax-Exempt Bonds, 2008

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**Table 10. New Money Long-Term Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2008—Continued**

[Money amounts are in millions of dollars]

| State of issue       | Selected bond purpose—continued |              |                       |              |                    |               |   |               |                               |              |
|----------------------|---------------------------------|--------------|-----------------------|--------------|--------------------|---------------|---|---------------|-------------------------------|--------------|
|                      | Qualified mortgage              |              | Qualified small issue |              | Qualified hospital |               | Qualified section 501(c)(3) nonhospital |               | All other bonds, combined [3] |              |
|                      | Number                          | Amount       | Number                | Amount       | Number             | Amount        | Number                                  | Amount        | Number                        | Amount       |
|                      | (11)                            | (12)         | (13)                  | (14)         | (15)               | (16)          | (17)                                    | (18)          | (19)                          | (20)         |
| <b>All States</b>    | <b>512</b>                      | <b>1,270</b> | <b>14</b>             | <b>1,404</b> | <b>259</b>         | <b>12,743</b> | <b>1,084</b>                            | <b>18,600</b> | <b>81</b>                     | <b>4,150</b> |
| Alabama              | 5                               | 28           | 0                     | 0            | d                  | d             | 13                                      | 179           | 6                             | 354          |
| Alaska               | 0                               | 0            | 0                     | 0            | 0                  | 0             | d                                       | d             | d                             | d            |
| Arizona              | d                               | d            | 0                     | 0            | 4                  | 612           | 13                                      | 240           | 0                             | 0            |
| Arkansas             | 3                               | 7            | 0                     | 0            | d                  | d             | 8                                       | 101           | d                             | d            |
| California           | d                               | d            | 0                     | 0            | 10                 | 553           | 67                                      | 1,786         | 0                             | 0            |
| Colorado             | 10                              | 14           | d                     | d            | 3                  | 251           | 46                                      | 423           | 0                             | 0            |
| Connecticut          | 0                               | 0            | 0                     | 0            | 6                  | 221           | 12                                      | 191           | 0                             | 0            |
| Delaware             | d                               | d            | 0                     | 0            | d                  | d             | d                                       | d             | 3                             | 5            |
| District of Columbia | 0                               | 0            | 0                     | 0            | d                  | d             | 10                                      | 420           | 0                             | 0            |
| Florida              | 11                              | 53           | 0                     | 0            | 9                  | 194           | 40                                      | 878           | 0                             | 0            |
| Georgia              | 6                               | 26           | 0                     | 0            | 9                  | 379           | 30                                      | 956           | 0                             | 0            |
| Hawaii               | 0                               | 0            | 0                     | 0            | 0                  | 0             | 0                                       | 0             | 0                             | 0            |
| Idaho                | 0                               | 0            | 0                     | 0            | d                  | d             | d                                       | d             | 0                             | 0            |
| Illinois             | 76                              | 76           | 0                     | 0            | 21                 | 1,161         | 39                                      | 448           | 0                             | 0            |
| Indiana              | 6                               | 27           | 0                     | 0            | 9                  | 294           | 22                                      | 137           | 0                             | 0            |
| Iowa                 | 81                              | 16           | 0                     | 0            | 4                  | 165           | 32                                      | 194           | d                             | d            |
| Kansas               | 44                              | 45           | 0                     | 0            | d                  | d             | 12                                      | 112           | 0                             | 0            |
| Kentucky             | 5                               | 38           | d                     | d            | 5                  | 61            | 27                                      | 463           | 0                             | 0            |
| Louisiana            | d                               | d            | 0                     | 0            | d                  | d             | 7                                       | 94            | 37                            | 2,093        |
| Maine                | d                               | d            | d                     | d            | 0                  | 0             | 5                                       | 116           | 0                             | 0            |
| Maryland             | d                               | d            | 0                     | 0            | 3                  | 392           | 28                                      | 613           | 0                             | 0            |
| Massachusetts        | 14                              | 48           | d                     | d            | 14                 | 552           | 61                                      | 1,414         | 0                             | 0            |
| Michigan             | 13                              | 75           | 0                     | 0            | 9                  | 197           | 27                                      | 279           | 0                             | 0            |
| Minnesota            | 9                               | 16           | d                     | d            | 5                  | 477           | 63                                      | 430           | 0                             | 0            |
| Mississippi          | d                               | d            | 0                     | 0            | 0                  | 0             | 8                                       | 67            | 18                            | 493          |
| Missouri             | 18                              | 56           | d                     | d            | 9                  | 832           | 15                                      | 404           | d                             | d            |
| Montana              | 0                               | 0            | 0                     | 0            | d                  | d             | 8                                       | 18            | 0                             | 0            |
| Nebraska             | 17                              | 11           | 0                     | 0            | 5                  | 72            | 8                                       | 80            | 0                             | 0            |
| Nevada               | d                               | d            | 0                     | 0            | 0                  | 0             | d                                       | d             | 0                             | 0            |
| New Hampshire        | d                               | d            | 0                     | 0            | d                  | d             | 14                                      | 211           | 0                             | 0            |
| New Jersey           | 11                              | 44           | d                     | d            | 5                  | 567           | 32                                      | 622           | 0                             | 0            |
| New Mexico           | 0                               | 0            | d                     | d            | d                  | d             | d                                       | d             | 0                             | 0            |
| New York             | 10                              | 41           | 0                     | 0            | 22                 | 612           | 68                                      | 2,654         | 5                             | 368          |
| North Carolina       | 3                               | 18           | 0                     | 0            | 6                  | 167           | 19                                      | 307           | d                             | d            |
| North Dakota         | d                               | d            | 0                     | 0            | 4                  | 87            | 13                                      | 89            | 0                             | 0            |
| Ohio                 | 6                               | 36           | 0                     | 0            | 20                 | 1,246         | 33                                      | 360           | 0                             | 0            |
| Oklahoma             | d                               | d            | 0                     | 0            | d                  | d             | d                                       | d             | d                             | d            |
| Oregon               | d                               | d            | 0                     | 0            | 4                  | 174           | 6                                       | 221           | 0                             | 0            |
| Pennsylvania         | 62                              | 165          | 0                     | 0            | 12                 | 567           | 113                                     | 1,718         | 0                             | 0            |
| Rhode Island         | d                               | d            | d                     | d            | d                  | d             | 5                                       | 65            | 0                             | 0            |
| South Carolina       | d                               | d            | 0                     | 0            | d                  | d             | 9                                       | 66            | 0                             | 0            |
| South Dakota         | 10                              | 19           | 0                     | 0            | d                  | d             | 7                                       | 53            | 0                             | 0            |
| Tennessee            | 3                               | 17           | 0                     | 0            | 5                  | 398           | 16                                      | 102           | 0                             | 0            |
| Texas                | 5                               | 41           | d                     | d            | 6                  | 224           | 42                                      | 920           | d                             | d            |
| Utah                 | d                               | d            | d                     | d            | 0                  | 0             | 6                                       | 52            | 0                             | 0            |
| Vermont              | 3                               | 8            | d                     | d            | d                  | d             | 6                                       | 49            | 0                             | 0            |
| Virginia             | 4                               | 15           | 0                     | 0            | 6                  | 485           | 25                                      | 358           | d                             | d            |
| Washington           | 12                              | 18           | 0                     | 0            | d                  | d             | 20                                      | 188           | d                             | d            |
| West Virginia        | 0                               | 0            | 0                     | 0            | 6                  | 232           | 8                                       | 28            | 0                             | 0            |
| Wisconsin            | 20                              | 74           | 0                     | 0            | 12                 | 325           | 28                                      | 352           | 0                             | 0            |
| Wyoming              | 0                               | 0            | 0                     | 0            | 0                  | 0             | d                                       | d             | 0                             | 0            |
| U.S. Possessions [4] | 0                               | 0            | 0                     | 0            | 0                  | 0             | 0                                       | 0             | 0                             | 0            |

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For purposes of this table, certain bond purposes were combined. For this reason, data in this table will differ slightly from the data in Tables 7 and 9.

[3] For purposes of this table, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, Informational Return for Tax-Exempt Private Activity Bond Issues, as well as bonds issued for: local electricity or gas furnishing facilities, facilities issued under a transitional rule of the Tax Reform Act of 1986, qualified highway or surface freight transfer facilities, Gulf Opportunity Zone bonds, Gulf Opportunity Zone mortgage bonds, New York Liberty Zone bonds, qualified veterans' mortgage bonds, nongovernmental output property bonds, and 2008 Housing Act bonds issued under IRC section 142 or 143.

[4] U.S. possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

# Unrelated Business Income Tax Returns, 2007

by Jael Jackson

**T**ax-exempt organizations generally operate for charitable or other beneficial purposes, with most income exempt from tax under the Internal Revenue Code. Tax-exempt organizations are permitted to engage in income-producing activities that are considered to be unrelated to their exempt purposes. However, to prevent potentially unfair competition between tax-exempt organizations and taxable for-profit entities, income derived from these unrelated activities is taxable. An organization that receives \$1,000 or more in gross unrelated business income in a tax year is required to file Form 990-T, *Exempt Organization Business Income Tax Return*, which is used to determine the amount of unrelated business taxable income and the associated unrelated business income tax liability.

Between Tax Years 2006 and 2007, gross unrelated business income, the total of all unrelated business income prior to deductions, reported by tax-exempt organizations increased 4 percent. The \$11.7 billion in gross unrelated business income reported for Tax Year 2007 was then offset by \$10.3 billion in deductions. The resulting net unrelated business taxable income, reported as unrelated business income (less deficit), which totaled \$1.4 billion for Tax Year 2007, was 11 percent higher than reported in the previous tax year.

Figure A shows selected financial statistics from Forms 990-T filed for Tax Years 2006 and 2007. After reducing their gross unrelated business income by allowable deductions, only about half of the 45,069 organizations that were required to file Form 990-T reported unrelated business income tax liability for Tax Year 2007. Despite an increase in the number of Form 990-T filers, there was a small decrease in the number of organizations that reported unrelated business taxable income. This decrease in organizations reporting unrelated taxable business income was accompanied by an increase in organizations that reported no taxable unrelated business income. Additionally, there was a 17.2-percent increase in the

*Jael Jackson is an economist with the Special Studies Special Projects Section. Melissa Ludlum is Chief of the Special Studies Special Projects Section. This article was prepared under the direction of Barry W. Johnson, Chief, Special Studies Branch.*

**Figure A**

## Unrelated Business Income Tax Returns: Selected Items from Forms 990-T, Exempt Organization Business Income Tax Returns, Tax Years 2006 and 2007

[Money amounts are in thousands of dollars]

| Item   | 2006              | 2007              | Percentage change |
|--|-------------------|-------------------|-------------------|
|  | (1)               | (2)               | (3)               |
| <b>Number of returns, total</b>                              | <b>43,520</b>     | <b>45,069</b>     | <b>3.6</b>        |
| With gross unrelated business income of \$10,000 or less [1] | 17,008            | 19,938            | 17.2              |
| With gross unrelated business income over \$10,000 [1]       | 26,512            | 25,131            | -5.2              |
| With unrelated business taxable income                       | 22,191            | 21,273            | -4.1              |
| Without unrelated business taxable income [2]                | 21,329            | 23,796            | 11.6              |
| <b>Gross unrelated business income</b>                       | <b>11,271,392</b> | <b>11,682,909</b> | <b>3.7</b>        |
| <b>Total deductions [3]</b>                                  | <b>9,987,940</b>  | <b>10,254,953</b> | <b>2.7</b>        |
| <b>Unrelated business taxable income (less deficit)</b>      | <b>1,283,452</b>  | <b>1,427,956</b>  | <b>11.3</b>       |
| Unrelated business taxable income                            | 2,176,235         | 2,316,677         | 6.5               |
| Deficit  | 892,783           | 888,721           | -0.5              |
| <b>Unrelated business income tax</b>                         | <b>555,736</b>    | <b>598,568</b>    | <b>7.7</b>        |
| <b>Total tax</b>   | <b>556,285</b>    | <b>594,126</b>    | <b>6.8</b>        |

[1] Organizations with gross unrelated business income (UBI) between \$1,000 (the filing threshold) and \$10,000 were not required to report itemized expenses and deductions, or to complete return schedules. Those with gross UBI over \$10,000 were required to fill out a more detailed "complete" return.

[2] Includes returns with deficits and returns with equal amounts of gross unrelated business income and total deductions.

[3] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33. Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services is a component of gross unrelated business income (upon which the filing requirement is based). Total cost of sales and services was \$2.7 billion for 2006 and \$2.6 billion for 2007.

NOTES: Detail may not add to totals because of rounding. See the Explanation of Selected Terms section of this article for definitions of gross unrelated business income, total deductions, unrelated business taxable income (less deficit), unrelated business income tax, and total tax.

number of organizations that reported gross unrelated business income of less than \$10,000. Tax-exempt organizations reported \$598.5 million in unrelated business income tax liability, an 8-percent increase from Tax Year 2006.

Total tax reported on Form 990-T, the sum of unrelated business income tax and certain additional taxes less credits, was \$594.1 million. These additional taxes included \$8.8 million of alternative minimum tax, \$1.7 million of "proxy tax" on certain non-deductible lobbying and political expenditures, and

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\$0.28 million of “other” taxes.<sup>1</sup> To arrive at the total tax amount, total tax credits were subtracted from the sum of unrelated business income tax plus additional taxes. Total tax credits equaled \$15.2 million for Tax Year 2007, exceeding the amount of additional taxes reported. Tax credits included the foreign tax credit (\$12.0 million), general business credit (\$2.3 million), credit for prior-year minimum tax (\$0.3 million), and “other” credits (\$0.6 million).

## Definition of Unrelated Business Income

Unrelated business income is produced from an activity that is conducted on a regular basis and is not directly related to an organization’s tax-exempt mission. Income earned by an organization is treated as unrelated business income if it meets two basic requirements. First, the income is derived from a trade or business that is regularly carried on by the organization. Second, the income is earned from a trade or business that is not substantially related to the performance of the organization’s exempt purpose or function. Even if profits from such activities are used by tax-exempt organizations to finance their exempt purposes, income that meets these two requirements generally is treated as unrelated business income. However, certain activities are excluded from taxation, such as business activities in which substantially all of the work is performed by volunteer labor, sales of merchandise that the organization received as a gift or contribution, and the operation of certain games of chance, as specified in the Internal Revenue Code (see “gross unrelated business Income” in the *Explanation of Selected Terms* for additional information).

## Filing Requirements and Composition of Tax Year 2007 Filers

A variety of tax-exempt organizations are required to file Form 990-T to report unrelated business income

and the associated tax. Figure B details the types of organizations that may be required to file Form 990-T by Internal Revenue Code section, organization, and nature of activities. Charitable organizations, which are tax-exempt under section 501(c)(3), are generally the most common Form 990-T filers.

Most tax-exempt organizations with receipts more than \$25,000 are required to file an annual Form 990, *Return of Organization Exempt From Income Tax*, or Form 990-EZ, *Short Form Return of Organization Exempt From Income Tax* (used by organizations with annual gross receipts of less than \$100,000 and total end-of-year assets of less than \$250,000). Private foundations, which are exempt under section 501(c)(3), file the information return Form 990-PF, *Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation*.<sup>2</sup> The composition of Form 990-T filers, by type of tax-exempt organization, type of entity, and size of gross unrelated business income and gross unrelated business taxable income, is shown in Figure C.

## Income Information, by Subsection Code

The largest organization type for Tax Year 2007, as classified by the Internal Revenue Code, was 501(c)(3) which represented nearly one-third of Form 990-T filers. In addition to comprising nearly 32 percent of Form 990-T filers, 501(c)(3) charitable organizations accounted for even higher percentages of gross unrelated business income, total unrelated business income tax, and other financial items for Tax Year 2007. Traditional Individual Retirement Arrangements (IRAs), exempt under section 408(e), social and recreational clubs, exempt under section 501(c)(7), and business leagues, chambers of commerce, and other organizations exempt under section 501(c)(6), accounted for 18, 15, and 13 percent of all Tax Year 2007 Forms 990-T filed, respectively.

<sup>1</sup> A membership organization that was tax exempt under Internal Revenue Code sections 501(c)(4), 501(c)(5), or 501(c)(6) was liable for the proxy tax in cases where it did not notify its members of the entire amount of the shares of their dues that were allocated to the nondeductible lobbying and political expenditures. The proxy tax of \$1.7 million used in the total tax computation includes only proxy tax reported by Form 990 T filers with gross unrelated business income greater than the \$1,000 filing threshold. Filers that reported gross unrelated business income less than the \$1,000 threshold were not eligible for selection into the Statistics of Income (SOI) sample. Therefore, proxy tax reported by organizations that had no unrelated business income or those that had unrelated business income less than the filing threshold is not included.

<sup>2</sup> Churches, which are tax exempt under Internal Revenue Code section 501(c)(3), are not required to apply for exemption unless they desire to obtain an Internal Revenue Service ruling, and they do not have to file a Form 990 information return. However, these churches are required to file Form 990 T if they received \$1,000 or more of gross income from business activities that were considered unrelated to their religious purposes. Charitable remainder trusts, a type of Internal Revenue Code section 4947(a)(2) “split-interest trust,” were required to report unrelated business income on Form 1041, *Estate and Trust Income Tax Return*, rather than Form 990 T, for tax years before 2007. Beginning with Tax Year 2007, charitable remainder trusts were required to report unrelated business income on Form 4720, *Return of Certain Excise Taxes on Charities and Other Persons under Chapters 41 and 42 of the Internal Revenue Code*. Published statistical reports on charitable and other nonprofit organizations, private foundations, and split-interest trusts are available from the Tax Stats pages of the IRS Web site at <http://www.irs.gov/taxstats>. Also available on the site in a “snapshot” page that provides data highlights and products.

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## Figure B

**Figure B. Types of Tax-Exempt Organizations Subject to the Unrelated Business Income Tax Provisions, by Internal Revenue Code Section**

| Code section | Description of organization   | General nature of activities   |
|--------------|---|--|
| 220(e)       | Archer Medical Savings Accounts (MSA's)   | Fiduciary agent for accounts used in conjunction with high-deductible health insurance plans to save funds for future medical expenses   |
| 401(a)       | Qualified pension, profit-sharing, or stock bonus plans   | Fiduciary agent for pension, profit-sharing, or stock bonus plans  |
| 408(e)       | Traditional Individual Retirement Accounts (IRA's)  | Fiduciary agent for retirement funds   |
| 408A         | Roth Individual Retirement Accounts (IRA's)   | Fiduciary agent for retirement funds; subject to same rules as traditional IRA's, except contributions are not tax deductible and qualified distributions are tax free                 |
| 501(c)(2)    | Title-holding corporations for exempt organizations   | Holding title to property for exempt organizations   |
| (3)          | Religious, educational, charitable, scientific, or literary organizations; organizations that test for public safety. Also, organizations that prevent cruelty to children or animals, or foster national or international amateur sports competition | Activities of a nature implied by the description of the class of organization   |
| (4)          | Civic leagues, social welfare organizations, and local associations of employees  | Promotion of community welfare and activities from which net earnings are devoted to charitable, educational, or recreational purposes   |
| (5)          | Labor, agricultural, and horticultural organizations  | Educational or instructive groups whose purpose is to improve conditions of work, products, and efficiency   |
| (6)          | Business leagues, chambers of commerce, real estate boards, and like organizations  | Improving conditions in one or more lines of business  |
| (7)          | Social and recreational clubs   | Pleasure, recreation, and social activities  |
| (8)          | Fraternal beneficiary societies and associations  | Lodges providing for payment of life, health, accident, or other insurance benefits to members   |
| (9)          | Voluntary employees' beneficiary associations (including Federal employees' voluntary beneficiary associations formerly covered by section 501(c)(10))  | Providing for payment of life, health, accident, or other insurance benefits to members  |
| (10)         | Domestic fraternal beneficiary societies and associations   | Lodges, societies, or associations devoting their net earnings to charitable, fraternal, and other specified purposes, without life, health, or accident insurance benefits to members |
| (11)         | Teachers' retirement fund associations  | Fiduciary associations providing for payment of retirement benefits  |
| (12)         | Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, and like organizations   | Activities of a mutually beneficial nature implied by the description of the class of organization   |
| (13)         | Cemetery companies  | Arranging for burials and incidental related activities  |
| 501(c)(14)   | State-chartered credit unions and mutual insurance or reserve funds   | Providing loans to members or providing insurance of, or reserve funds for, shares or deposits in certain banks or loan associations   |
| (15)         | Mutual insurance companies or associations other than life, if written premiums for the year do not exceed \$350,000  | Providing insurance to members, substantially at cost  |
| (16)         | Corporations organized to finance crop operations   | Financing crop operations in conjunction with activities of a marketing or purchasing association  |
| (17)         | Supplemental unemployment benefit trusts  | Fiduciary agent for payment of supplemental unemployment compensation benefits   |
| (18)         | Employee-funded pension trusts (created before June 25, 1959)   | Providing for payments of benefits under a pension plan funded by employees  |
| (19)         | Posts or organizations of past or present members of the armed forces   | Providing services to veterans or their dependents; advocacy of veteran's issues; and promotion of patriotism and community service programs   |
| (21)         | Black Lung Benefit Trusts   | Providing funds to satisfy coal mine operators' liability for disability or death due to black lung disease  |
| (22)         | Withdrawal liability payment funds  | Providing funds to meet the liability of employers withdrawing from a multiple-employer pension fund   |
| (23)         | Associations of past and present members of the armed forces founded before 1880  | Providing insurance and other benefits to veterans or their dependents   |
| (24)         | Trusts described in section 4049 of the Employee Retirement Income Security Act of 1974   | Providing funds for employee retirement income   |

Footnotes at end of figure.

# Unrelated Business Income Tax Returns, 2007

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## Figure B—Continued

**Figure B. Types of Tax-Exempt Organizations Subject to the Unrelated Business Income Tax Provisions, by Internal Revenue Code Section—Continued**

|        |  |   |
|--------|--|---|
| (25)   | Title-holding corporations or trusts with no more than 35 shareholders or beneficiaries and only one class of stock or beneficial interest | Acquiring real property and remitting all income earned from such property to one or more exempt organizations; pension, profit-sharing, or stock bonus plans; or governmental units  |
| (26)   | State-sponsored high-risk health insurance plans   | Providing coverage for medical care on a not-for-profit basis to residents with pre-existing medical conditions that resulted in denied or exorbitantly priced traditional medical care coverage  |
| (27)   | State-sponsored workers' compensation reinsurance plans  | Pooled employers' funds providing reimbursements to employees for losses arising under workers' compensation acts; also, State-created, -operated, and -controlled organizations providing workers' compensation insurance to employers |
| 529(a) | Qualified State Tuition Plans  | State- and agency-maintained plans that allow individuals to purchase credits or certificates, or make contributions to an account, to pay for future educational expenses  |
| 530(a) | Coverdell Education Savings Accounts   | Fiduciary agent for accounts created for the purpose of paying qualified higher education expenses of a designated beneficiary  |

NOTES: Corporations that are organized under an Act of Congress, and are instrumentalities of the United States, described in section 501(c)(1) of the Internal Revenue Code, are not subject to unrelated business income taxation. Prepaid legal service funds, previously described in section 501(c)(20) of the Internal Revenue Code, were no longer tax exempt effective for tax years beginning after June 30, 1992.

Figure D shows financial items for Tax Year 2007, including gross unrelated business income and its components, the ratio of investment income to gross unrelated business income, total deductions, and unrelated business income tax. Charitable organizations accounted for 58 percent of the almost \$11.7 billion in gross unrelated business income reported for Tax Year 2007. They claimed 64 percent of total deductions and reported 47 percent of total unrelated business income tax.

Charitable organizations reported 42 percent of total investment income for Tax Year 2007. However, investment income represented only a small percentage, about 26 percent, of gross unrelated business income reported by charitable organizations. Generally, organizations that were organized as tax-exempt trusts derived larger percentages of their gross unrelated business income from investments. For example, traditional IRAs reported more than 90 percent of their gross unrelated business income as investment income.

### Income Information, by Entity Type

Tax-exempt organizations' unrelated business taxable income is subject to the same tax rates as income reported by for-profit filers. Generally, organizations that, based on their structures, classify themselves as tax-exempt trusts pay taxes on their unrelated business income at the same rates as estate and trust

filers, while all other exempt organizations, which are structured more like corporations, pay taxes at the corporate rate. Nearly 77 percent of all Tax Year 2007 Forms 990-T were filed by tax-exempt organizations that paid taxes at the corporate rate. Tax-exempt trusts accounted for the additional 23 percent of Forms 990-T filed for the year, which is a slightly larger percentage than the previous year.

Traditional IRAs, voluntary employees' beneficiary associations, and pension, profit-sharing, and stock bonus plans account for the majority of the 10,361 tax-exempt trusts that file Form 990-T. For Tax Year 2007, these organizations represented more than 77 percent of all trusts that filed the return. The remaining 34,708 Tax Year 2007 Form 990-T filers, including the majority of charitable organizations, were primarily organized as corporations. The majority of all organizations, 56 percent, that filed Form 990-T for Tax Year 2007 reported gross unrelated business income of \$10,000 or more. However, over half of all organizations that were required to file Form 990-T did not report unrelated business income tax liability after subtracting deductions from gross unrelated business income.

Figure E further illustrates the differences between tax-exempt trusts and corporate filers. The latter group reported the majority of gross unrelated business income, total deductions, positive unrelated business taxable income, and unrelated business

# Unrelated Business Income Tax Returns, 2007

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**Figure C**

## Unrelated Business Income Tax Returns: Form 990-T Filers, by Gross Unrelated Business Income, Gross Unrelated Business Taxable Income, Subsection Code, and Type of Organization, Tax Year 2007

[Money amounts are in thousands of dollars]

| Category                                       | Item  | Number of returns | Percentage of total |
|--|---|-------------------|---------------------|
| <b>All 990-T Forms</b>                         | <b>All returns</b>  | <b>45,069</b>     | <b>100.0</b>        |
| <b>Type of organization</b>                    | <b>Total</b>  | <b>45,069</b>     | <b>100.0</b>        |
|  | 501(c)(3) Religious, educational, charitable, scientific, or literary organizations | 14,312            | 31.8                |
|  | 501(c)(4) Civic leagues and social welfare organizations                            | 1,646             | 3.7                 |
|  | 501(c)(5) Labor, agricultural, and horticultural organizations                      | 2,172             | 4.8                 |
|  | 501(c)(6) Business leagues, chambers of commerce, and real estate boards            | 5,722             | 12.7                |
|  | 501(c)(7) Social and recreational clubs   | 6,596             | 14.6                |
|  | 501(c)(19) War veterans' posts or organizations                                     | 1,770             | 3.9                 |
|  | 408(e) Traditional Individual Retirement Arrangements                               | 7,939             | 17.6                |
|  | Other [1]   | 4,912             | 10.9                |
| <b>Type of entity</b>                          | <b>Total</b>  | <b>45,069</b>     | <b>100.0</b>        |
|  | Corporation   | 34,708            | 77.0                |
|  | Trust   | 10,361            | 23.0                |
| <b>Size of gross unrelated business income</b> | <b>Total</b>  | <b>45,069</b>     | <b>100.0</b>        |
|  | With gross unrelated business income of \$10,000 or less                            | 19,938            | 44.2                |
|  | With gross unrelated business income over \$10,000                                  | 25,131            | 55.8                |
| <b>Unrelated business taxable income</b>       | <b>Total</b>  | <b>45,069</b>     | <b>100.0</b>        |
|  | With unrelated business taxable income  | 21,273            | 47.2                |
|  | Without business taxable income   | 23,796            | 52.8                |

[1] This category includes organizations described under sections 501(c)(2), 501(c)(8)-(19), 501(c)(21)-(27), as well as Archer medical savings accounts, exempt under section 220(e); qualified pension, profit-sharing, or stock bonus plans, exempt under section 401(a); Roth Individual Retirement Arrangements, exempt under section 408A; state-sponsored health plans, exempt under section 529(a); and Coverdell education savings accounts, exempt under section 530(a). See Figure B for additional information on the types of organizations that are required to file Form 990-T.

NOTES: Detail may not add to totals because of rounding. See the Explanation of Selected Terms section of this article for definitions of gross unrelated business income and unrelated business taxable income (less deficit).

income tax. These corporate filers reported \$9.9 billion in gross unrelated business income, \$9.6 billion in total deductions, and \$349 million in unrelated business income tax.

While representing less than one quarter of Form 990-T filers, trusts reported higher amounts of total investment income and unrelated business taxable income (less deficit) than their corporate counterparts. Of the \$3.1 billion in investment income received by tax-exempt organizations, more than half was reported by trusts. Overall, trusts reported 90 percent of their gross unrelated business income as investment income, compared to less than 15 percent for corporations. More than 78 percent of net unrelated business taxable income that was reported for Tax Year 2007 was attributable to trusts, which reported approximately 42 percent of total unrelated business income tax for Tax Year 2007.

### Summary

Tax-exempt organizations reported more than \$11 billion in gross unrelated business income for Tax Year 2007. Total unrelated business income tax liability increased by 7.7 percent from Tax Year 2006 to \$598.6 million.

Charitable organizations, tax exempt under section 501(c)(3), were the most common Form 990-T filers, representing nearly one-third of all organizations that filed the return for Tax Year 2007. These organizations reported 58 percent of all gross unrelated business income for the year, claimed 64 percent of deductions, and accounted for a little less than half of all unrelated business income tax liability.

Nearly 77 percent of all Tax Year 2007 Forms 990-T were filed by tax-exempt organizations that paid taxes at the corporate rate, with tax-exempt trusts accounting for the remainder of filers. Filers

# Unrelated Business Income Tax Returns, 2007

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**Figure D**

## Unrelated Business Income Tax Returns: Selected Unrelated Business Income Tax Data for Tax-Exempt Organizations, by Subsection Code, Tax Year 2007

[Money amounts are in thousands of dollars]

| Item   | Subsection Code |           |           |           |           |           |            |        |           |
|--|-----------------|-----------|-----------|-----------|-----------|-----------|------------|--------|-----------|
|  | All             | 501(c)(3) | 501(c)(4) | 501(c)(5) | 501(c)(6) | 501(c)(7) | 501(c)(19) | 408(e) | Other [1] |
| Number of returns                                | 45,069          | 14,312    | 1,646     | 2,172     | 5,722     | 6,596     | 1,770      | 7,939  | 4,912     |
| Gross unrelated business income                  | 11,682,909      | 6,809,968 | 547,631   | 273,407   | 1,086,862 | 665,582   | 169,163    | 87,160 | 2,043,136 |
| Total investment income [2]                      | 3,067,541       | 1,275,296 | 31,615    | 20,474    | 41,804    | 128,558   | 8,875      | 84,337 | 1,476,582 |
| Investment income to gross UBI (Percentage)      | 26.3            | 18.7      | 5.8       | 7.5       | 3.8       | 19.3      | 5.2        | 96.8   | 72.3      |
| Total deductions                                 | 10,254,953      | 6,536,113 | 543,685   | 264,553   | 1,040,140 | 589,492   | 326,234    | 15,908 | 938,828   |
| Unrelated business taxable income (less deficit) | 1,427,956       | 279,855   | 3,946     | 8,854     | 46,722    | 76,090    | -4,056     | 71,252 | 945,293   |
| Unrelated business taxable income                | 2,316,677       | 903,615   | 28,999    | 24,791    | 109,048   | 115,292   | 8,328      | 72,118 | 1,054,486 |
| Deficit  | 888,721         | 623,760   | 25,053    | 15,937    | 62,326    | 39,202    | 12,384     | 866    | 109,193   |
| Unrelated business income tax                    | 598,568         | 278,673   | 9,255     | 6,372     | 30,558    | 28,957    | 1,454      | 17,871 | 225,428   |
| Total tax  | 594,126         | 276,895   | 8,802     | 6,373     | 31,884    | 27,708    | 1,449      | 17,989 | 223,026   |

[1] This category includes organizations described under sections 501(c)(2), 501(c)(8)-(18), 501(c)(21)-(27), as well as Archer medical savings accounts, exempt under section 220(e); qualified pension, profit-sharing, or stock bonus plans, exempt under section 401(a); Roth Individual Retirement Arrangements, exempt under section 408A, state-sponsored health plans, exempt under section 529(a); and Coverdell education savings accounts, exempt under section 530(a). See Figure B for additional information on the types of organizations that are required to file Form 990-T.

[2] Total investment income includes net capital gain income, combined partnership and S corporation income, unrelated debt-financed income, and investment income of Internal Revenue Code section 501(c)(7),(9), and (17) organizations. Other types of tax-exempt organizations' investment income ordinarily are not taxed, unless the investments were purchased with borrowed funds, i.e. debt-financed.

NOTES: Detail may not add to totals because of rounding. See the Explanation of Selected Terms section of this article for definitions of gross unrelated business income, total deductions, unrelated business taxable income (less deficit), unrelated business income tax, and total tax.

classified as corporations reported the majority of gross unrelated business income, total deductions, positive unrelated business taxable income, and unrelated business income tax for Tax Year 2007. Tax-exempt trusts accounted for larger proportions of total investment income and net unrelated business taxable income.

### Data Sources and Limitations

To report unrelated business income of \$1,000 (the filing threshold) or more for Tax Year 2007, Internal Revenue Code section 220(e), 401(a), 408(e), 408A, and 530(a) trusts' required reporting period was Calendar Year 2007, and the Form 990-T filing deadline was April 15, 2008. For all other organizations, the required reporting period was any accounting period beginning in Calendar Year 2007 and, thus, ending between December 2007 and November 2008, for full-year return filers. The associated required due dates for filing Tax Year 2007 Forms 990-T generally fell between May 2008 to April 2009, but extensions of time to file beyond this period were routinely granted to many organizations. Corresponding to the required filing dates, the SOI Tax Year 2007 study sample was drawn from Forms 990-T processed by IRS throughout Calendar Years 2008 and 2009.

Because of the various accounting periods of the organizations filing a Tax Year 2007 return, the financial activities covered in this article span the period January 2007 through November 2008, although 63 percent of Form 990-T filers had Calendar Year 2007 accounting periods.

The population from which the Form 990-T sample was drawn consisted of Tax Year 2007 Form 990-T records posted to the IRS Business Master File system during 2008 and 2009. Generally, returns filed after Calendar Year 2009 were not included in the sample. However, in some cases, late-filed returns that were considered to be large income-size cases (over \$500,000 or more of gross unrelated business income), were added after the close of the sampling period. A sample of 7,439 returns was selected from a population of 45,194. After excluding returns that were selected for the sample but later rejected, the resulting sample size was 7,408 returns, and the estimated population size was 45,069. Rejected returns included those that had gross unrelated business income less than the \$1,000 filing threshold; were filed for a part-year 2007 accounting period, and a full-year 2007 return was also filed; or were filed for a part-year accounting period that began in a year other than 2007.

**Figure E**

**Unrelated Business Income Tax Returns:  
Selected Unrelated Business Income Tax Data  
for Tax-Exempt Corporate and Trust Entities,  
Tax Year 2007**

[Money amounts are in thousands of dollars]

| Item  | Type of Entity    |             |           |
|---|-------------------|-------------|-----------|
|   | All               | Corporation | Trust     |
|   | (1)               | (2)         | (3)       |
| Number of returns                                 | <b>45,069</b>     | 34,708      | 10,361    |
| Gross unrelated business income                   | <b>11,682,909</b> | 9,882,871   | 1,800,038 |
| Total investment income [1]                       | <b>3,067,541</b>  | 1,443,069   | 1,624,472 |
| Investment income to gross UBI ratio (Percentage) | <b>26.3</b>       | 14.6        | 90.2      |
| Total deductions                                  | <b>10,254,953</b> | 9,575,530   | 679,423   |
| Unrelated business taxable income (less deficit)  | <b>1,427,956</b>  | 307,341     | 1,120,615 |
| Unrelated business taxable income                 | <b>2,316,677</b>  | 1,147,111   | 1,169,566 |
| Deficit   | <b>888,721</b>    | 839,770     | 48,951    |
| Unrelated business income tax                     | <b>598,568</b>    | 348,930     | 249,638   |
| Total tax   | <b>594,126</b>    | 348,074     | 246,052   |

[1] Total investment income includes capital gain net income, combined partnership and S corporation income, unrelated debt-financed income, and investment was purchased with borrowed funds, i.e. debt-financed organizations. Other types of tax-exempt organizations' investment income ordinarily is not taxed, unless the investment income of Internal Revenue Code section 501(c)(7),(9), and (17).

NOTES: Detail may not add to totals because of rounding. See the Explanation of Selected Terms section of this article for definitions of gross unrelated business income, total deductions, unrelated business taxable income (less deficit), unrelated business income tax, and total tax.

The Tax Year 2007 Statistics of Income (SOI) Form 990-T study incorporated a two-stage sample design consisting of a stratified random sample and a special “integrated” sample. The stratified random sample was designed to represent the entire population of Form 990-T filers reporting unrelated business income. The integrated sample was designed to gather information on “related” (tax exempt) and “unrelated” (taxable) income and expenses for section 501(c)(3) nonprofit charitable organizations that filed both Form 990 (or Form 990-EZ) and Form 990-T. This integrated sampling program ensured that the SOI sample of Forms 990-T included any unrelated business income tax returns (with gross unrelated business income of \$1,000 or more) filed by organizations whose Form 990 or Form 990-EZ information returns were selected for the separate

SOI sample of section 501(c)(3) nonprofit charitable organizations. Organizations exempt under other Code sections were not subjected to the integrated sampling program.

The Form 990-T returns were initially divided into strata, based on gross unrelated business income, and selected using Bernoulli sampling into rates ranging from 3.65 percent to 100 percent. Section 501(c)(3) returns not selected randomly were then matched to returns in the Forms 990/990-EZ sample. These linked returns, along with any randomly selected Forms 990-T that also had counterparts in the Forms 990/990-EZ sample, formed the “integrated” Internal Revenue Code section 501(c)(3) portion of the Form 990-T sample.<sup>3</sup>

The information presented in this article was obtained from returns as originally filed with the Internal Revenue Service. The amount of total tax liability originally reported on Forms 990-T, as stated in these statistics, may not necessarily be the amount ultimately paid to IRS. Changes in tax liability assessments can be made after the original return is filed, either by the taxpayer on an amended return, by the IRS after examination, or by litigation. The data were subjected to comprehensive testing and correction procedures in order to improve statistical reliability and validity. In most cases, due to time constraints, changes made to the original return as a result of administrative processing, audit procedures, or a taxpayer amendment were not incorporated into the database.

Because the data are based on a sample, they are subject to sampling error. In order to use these statistics properly, the magnitude of the sampling error, measured by the coefficient of variation (CV), should be taken into account. Figure F shows CVs for selected financial data estimates derived from the Form 990-T stratified random sample. A discussion of the reliability of estimates based on samples and methods for evaluating both the magnitude of sampling and nonsampling error and the precision of sample estimates can be found in the SOI Sampling Methodology and Data Limitations, located near the back of this issue of the *SOI Bulletin* or at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=97210,00.html>.

<sup>3</sup> For additional information on the Forms 990 and 990 T integrated sample design, see Harte, James M. and Cecelia H. Hilgert, “Enriching One Sample While Improving Another: Linking Differently Stratified Samples of Documents Filed by Exempt Organizations,” *Statistics of Income: Compendium of Studies of Tax-Exempt Organizations, 1989-1998, 2002*.

# Unrelated Business Income Tax Returns, 2007

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**Figure F**

**Unrelated Business Income Tax Returns: Coefficients of Variation by Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Type of Tax-Exempt Organization, Tax Year 2007**

| Type of tax-exempt organization, as defined by Internal Revenue Code section        | Number of returns | Gross unrelated business income (UBI) | Total deductions  |             | Unrelated business taxable income (less deficit) |             | Unrelated business taxable income [2] |             | Total tax         |             |
|---|-------------------|---------------------------------------|-------------------|-------------|--|-------------|---------------------------------------|-------------|-------------------|-------------|
|   |                   |                                       | Number of returns | Amount      | Number of returns                                | Amount      | Number of returns                     | Amount      | Number of returns | Amount      |
|   | (1)               | (2)                                   | (3)               | (4)         | (5)  | (6)         | (7)                                   | (8)         | (9)               | (10)        |
| <b>All organizations</b>  | <b>0.09</b>       | <b>0.18</b>                           | <b>0.09</b>       | <b>0.28</b> | <b>0.12</b>                                      | <b>1.53</b> | <b>0.18</b>                           | <b>0.61</b> | <b>23,614.00</b>  | <b>0.65</b> |
| 501(c)(2) Title-holding corporations for exempt organizations [1]                   | 26.45             | 6.24                                  | 26.45             | 8.47        | 29.00  | 6.43        | 32.71                                 | 4.70        | 34.54             | 2.09        |
| 501(c)(3) Religious, educational, charitable, scientific, or literary organizations | 2.72              | 0.31                                  | 2.72              | 0.37        | 3.06   | 4.88        | 4.64                                  | 0.90        | 4.59              | 0.71        |
| 501(c)(4) Civic leagues and social welfare organizations                            | 11.20             | 1.77                                  | 11.20             | 1.96        | 12.75  | 95.77       | 18.90                                 | 6.46        | 19.01             | 4.35        |
| 501(c)(5) Labor, agricultural, and horticultural organizations                      | 9.56              | 4.08                                  | 9.56              | 4.43        | 11.23  | 39.64       | 15.36                                 | 8.35        | 15.56             | 6.79        |
| 501(c)(6) Business leagues, chambers of commerce, and real estate boards            | 5.69              | 1.56                                  | 5.69              | 1.74        | 6.83   | 4.88        | 9.44                                  | 3.96        | 9.20              | 3.26        |
| 501(c)(7) Social and recreational clubs   | 5.43              | 2.62                                  | 5.42              | 3.09        | 5.90   | 11.66       | 6.89                                  | 5.54        | 7.00              | 5.51        |
| 501(c)(8) Fraternal beneficiary societies and associations                          | 15.58             | 9.92                                  | 15.77             | 10.72       | 17.27  | 99.60       | 2.53                                  | 16.31       | 25.27             | 10.27       |
| 501(c)(9) Voluntary employees' beneficiary associations                             | 13.46             | 0.78                                  | 13.31             | 1.74        | 16.56  | 1.14        | 17.46                                 | 0.88        | 17.27             | 1.32        |
| 501(c)(10) Domestic fraternal beneficiary societies and associations                | 26.41             | 18.92                                 | 26.41             | 20.38       | 34.15  | 96.22       | 63.40                                 | 37.97       | 63.39             | 24.88       |
| 401(a) Qualified pension, profit-sharing, or stock bonus plans                      | 17.73             | 1.25                                  | 17.69             | 3.35        | 17.75  | 1.53        | 18.27                                 | 1.41        | 18.32             | 2.16        |
| 408(e) Traditional Individual Retirement Arrangements                               | 5.16              | 7.68                                  | 5.17              | 8.98        | 5.10   | 8.88        | 4.71                                  | 8.75        | 4.75              | 9.83        |
| Other [3]   | 7.31              | 2.43                                  | 7.35              | 2.53        | 7.97   | 21.71       | 12.05                                 | 7.43        | 12.21             | 6.13        |

[1] Corporations that are organized under an Act of Congress and are instrumentalities of the United States, described in section 501(c)(1) of the Internal Revenue Code, are not subject to unrelated business income taxation.

[2] Includes data from returns with positive amounts of unrelated business taxable income only.

[3] This category includes organizations described under sections 501(c)(11)-(19), 501(c)(21)-(27), as well as Archer medical savings accounts, exempt under section 220(e); Roth Individual Retirement Arrangements, exempt under section 408A, state-sponsored health plans, exempt under section 529(a); and Coverdell education savings accounts, exempt under section 530(a).

NOTE: For more complete descriptions of the types of tax-exempt organizations filing Form 990-T, by the Internal Revenue Code section describing them, see Figure B of this article.

## Explanation of Selected Terms

This section provides definitions to help the reader understand the terms contained in the article and in Tables 1 through 7, found at the end of the article. In some of the following explanations, tax-exempt organizations are cited by the Internal Revenue Code section under which they are described. The various types of tax-exempt organizations subject to the unrelated business income tax provisions are shown in Figure B.

**Advertising income**—Gross income realized by a tax-exempt organization from the sale of advertising in a periodical was gross income from an unrelated trade or business activity involving the “exploitation

of an exempt activity,” namely, the circulation and subscriber base of the periodical developed by producing and distributing the mission-related content of that periodical. Advertising income was reported separately from other types of “exploited exempt activity income.” (See the explanation of exploited exempt activity income.) Internal Revenue Code section 501(c)(7), (9), and (17) organizations reported gross advertising income, as well as other types of “exploited exempt activity income,” as part of gross receipts from sales and services. All other organizations reported this income separately.

**Capital gain net income**—Generally, organizations required to file Form 990-T (except organi-

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zations tax-exempt under Internal Revenue Code sections 501(c)(7), (9), and (17)) were not taxed on net gains from the sale, exchange, or other disposition of property. However, capital gain net income on sales of debt-financed property, certain gains on the cutting of timber (section 1231), and gains on sales of certain depreciable property (described in Internal Revenue Code sections 1245, 1250, 1252, 1254, and 1255) were considered taxable. Also, any gain or loss passed through from a partnership or S corporation, or any gain or loss on the disposition of S corporation stock by a “qualified tax-exempt” (defined in the explanation of income (less loss) from partnerships and S corporations), was taxed as a capital gain or loss. (See the explanation of Investment Income (Less Loss) for information regarding investment income of section 501(c)(7), (9), and (17) organizations.)

*Charitable contributions*—To the extent permissible under the Internal Revenue Code, a deduction was allowed for contributions or gifts actually paid within the tax year to, or for the use of, another entity that was a charitable or Governmental organization described in Code section 170(c). A tax-exempt corporation was allowed a deduction for charitable contributions up to 10 percent of its unrelated business taxable income computed without regard to the deduction for contributions. A tax-exempt trust was generally allowed a deduction for charitable contributions under the rules applicable to individual taxpayers, except the limit on the deduction was determined in relation to unrelated business taxable income computed without regard to the contributions deduction, rather than in relation to adjusted gross income. Contributions in excess of the respective corporate or trust limitations may be carried over to the next 5 taxable years, subject to certain rules. The contributions deduction was allowed whether or not the donated income was directly connected with the carrying on of a trade or business.

*Cost of sales and services*—Cost of sales and services may have included depreciation, salaries and wages, and certain other types of deductible items. For this reason, the total amount shown for some of the separately reported components of total deductions, such as “salaries and wages,” may be understated. Cost of sales and services was subtracted from gross receipts from sales and services in computing gross profit (less loss) from sales and services,

which is a component of gross unrelated business income.

*Deductions directly connected with unrelated business income*—These were deductions allowed in computing net income, if they otherwise qualified as income tax deductions under the Internal Revenue Code and if they had a “proximate and primary” relationship to carrying on an unrelated trade or business. Allowable deductions included those allocable to rental of personal property; those allocable to unrelated debt-financed income; those allocable to investment income of Internal Revenue Code section 501(c)(7), (9), and (17) organizations; those allocable to interest, annuities, royalties, and rents received from “controlled organizations” (see definition of Income from Controlled Organizations); those allocable to “exploited exempt activity income” other than advertising; direct advertising costs; compensation of officers, directors, and trustees; salaries and wages; repairs and maintenance; bad debts; interest; taxes and licenses; depreciation (unless deducted elsewhere); depletion; contributions to deferred compensation plans; contributions to employee benefit plans; the “net operating loss deduction”; and “other deductions.” Tax-exempt organizations with gross unrelated business income above \$10,000 were required to report each deduction component separately. Organizations with gross unrelated business income between \$1,000 (the filing threshold) and \$10,000 reported a single total of the first five types of directly-connected expenses listed above (those described as “allocable to”) and a single total for all other types of deductions (both deductions directly connected with unrelated business income and those not directly connected, each defined elsewhere in this section), except for two items that were required to be reported separately: the “net operating loss deduction” (directly connected) and the “specific deduction” (not directly connected), both also defined below.

*Deductions not directly connected with unrelated business income*—The component deductions were “set-asides,” “excess exempt expenses,” charitable contributions, and the “specific deduction.” The specific deduction was reported, when applicable, by all organizations with positive taxable income; the other types of deductions not directly connected with unrelated business income were reported separately, when applicable, only by tax-exempt organizations

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with gross unrelated business income above \$10,000. (See, also, the explanations of Set-asides, Excess exempt expenses, Contributions, and the Specific deduction.)

*Excess exempt expenses*—The two types of “excess” expenses allowed as deductions from unrelated business income were (1) excess exempt expenses attributable to commercial exploitation of exempt activities, and (2) excess exempt expenses attributable to advertising income. In the case of “exploited” exempt activity income (see the explanation of Exploited exempt activity income, except Advertising, below), if the expenses of the organization’s exempt activity exceeded the income from the exempt activity, then the excess expenses could be used to offset any positive net unrelated business income produced from exploiting the exempt activity, to the extent that it did not result in a loss. Excess expenses of one type of commercially exploited exempt activity could not be used to offset income from another type of unrelated business activity, unless both types commercially exploited the same exempt activity. In the case of excess exempt expenses attributable to advertising income, if the expenses attributable to producing and distributing the readership content of a periodical exceeded the circulation income, then the excess of readership costs over circulation income could be used to offset any net gain from advertising (gross advertising income less direct advertising costs), to the extent that it did not result in a loss.

*Exploited exempt activity income, except advertising*—In some cases, exempt activities create goodwill or other intangibles that are capable of being exploited in a commercial manner. When an organization exploited such an intangible in commercial activities that did not contribute importantly to the accomplishment of an exempt purpose, the income it produced was gross income from an unrelated trade or business. An example of this type of activity would be an exempt scientific organization with an excellent reputation in the field of biological research that exploits its reputation regularly by selling endorsements of laboratory equipment to manufacturers. Endorsing laboratory equipment would not have contributed importantly to the accomplishment of any purpose for which tax exemption was granted to the organization. Accordingly, the income from selling such endorsements is gross unrelated business income. Exploited exempt activity income from advertising was reported separately from other types

of exploited exempt activity income (see the explanation of Advertising income). Internal Revenue Code section 501(c)(7), (9), and (17) organizations reported income from exploited exempt activities as part of gross receipts from sales and services. All other organizations reported this income separately.

*Gross profit (less loss) from sales and services*—This was the gross profit (less loss) from any unrelated trade or business regularly carried on that involved the sale of goods or performance of services. Gross profit (less loss) from sales and services is computed as gross receipts from sales or services, less returns and allowances, minus cost of sales and services.

*Gross unrelated business income*—This was the total gross unrelated business income prior to reduction by allowable deductions used in computing unrelated business taxable income. All organizations were required to report detailed sources of gross unrelated business income. The components of gross unrelated business income were gross profit (less loss) from sales and services; capital gain net income; net gain (less loss) from sales of noncapital assets; net capital loss deduction (trusts only); income (less loss) from partnerships and S corporations; rental income; unrelated debt-financed income; investment income (less loss) of Internal Revenue Code section 501(c)(7), (9), and (17) organizations; income (annuities, interest, rents, and royalties) from controlled organizations; “exploited exempt activity” income, except advertising; advertising income; and “other” income (less loss). (For an explanation of these sources of income, see the separate explanations of each component.)

A tax-exempt organization’s income was treated as unrelated business income if it was from a trade or business that was regularly carried on by the organization and that was not substantially related to the performance of the organization’s exempt purpose or function (other than that the organization needed the profits derived from the unrelated activity). The term “trade or business” generally comprised any activities carried on for the production of income from selling goods or performing services. These activities did not lose their identity as trades or businesses merely because they were carried on within a larger aggregate of similar activities or within a larger complex of other endeavors that may, or may not, have been related to the exempt purposes of the organization. Soliciting, selling, or publishing commercial

advertising, for example, is identified as a trade or business, even though the advertising is published in an exempt organization's periodical that contains editorial material that is related to the organization's exempt purpose.

*Income from controlled organizations*—When an exempt organization controlled another organization, the entire amount of gross annuities, interest, rents, and royalties (termed “specified payments”) received from the controlled organization were included in the gross unrelated business income of the controlling organization. They were included only to the extent that the specified payments were claimed as a deduction from the controlled organization's own unrelated business income (in the case of an exempt controlled organization) or the “equivalent” of unrelated business income (in the case of a nonexempt controlled organization). The equivalent of unrelated business income was computed as if the nonexempt controlled organization were exempt and had the same exempt purpose as the controlling organization. “Control” meant: (a) for a stock corporation, the ownership (by vote or value) of more than 50 percent of the stock; (b) for a partnership, ownership of more than 50 percent of the profits or capital interests; or (c) for any other organization, ownership of more than 50 percent of the beneficial interests. All deductions “directly connected” with a Form 990-T filer's gross controlled-organization income were allowed. The rules for debt-financed property did not apply to passive income (generally, investment income) from controlled organizations. (See the definition of Unrelated debt-financed income.)

*Income (less loss) from partnerships and S corporations*—If an organization was a partner in any partnership that carried on an unrelated trade or business, this income item included the organization's share of partnership gross unrelated business income less its share of partnership deductions that were directly connected with the unrelated income. If an organization was a “qualified tax-exempt” that held stock in an S corporation, this income item included the income or loss from the stock interest. The stock interest was treated as an unrelated trade or business, and all items of income, loss, or deduction were taken into account in computing unrelated business taxable income. A “qualified tax-exempt” was an organization described in Internal Revenue Code section 401(a) (qualified stock bonus, pension, or profit-

sharing plan) or section 501(c)(3), and exempt from tax under section 501(a).

*Investment income (less loss)*—This income was reported only by organizations exempt under Internal Revenue Code sections 501(c)(7), (9), and (17) and included such income as gross unrelated debt-financed income, gross income from the ownership or sale of securities, and set-asides deducted from investment income in previous years that were subsequently used for a purpose other than that for which a deduction was allowed. (See, also, the explanation of Set-asides.) All gross rents (except those that were exempt-function income) from investment property of section 501(c)(7), (9), and (17) organizations were treated as unrelated business income and were reported as “rental income.” Organizations exempt under sections other than 501(c)(7), (9), and (17) did not report “investment income (less loss).” Generally, these organizations' investment income (dividends, interest, rents, and annuities) and royalty income were not taxed as unrelated business income, unless it was income, other than dividends, from a controlled organization or debt-financed income, or the rents were of the type described in the explanation of rental income. (See explanations of Income from controlled organizations, Rental income, and Unrelated debt-financed income.)

*Net capital loss (trusts only)*—If a trust had a net loss from sales or exchanges of capital assets, it was allowed a deduction for the amount of the net loss or \$3,000, whichever was lower. (Tax-exempt corporations were not allowed to deduct any excesses of capital losses over capital gains.) Tax-exempt trusts reported the net capital loss deduction on Form 990-T as a component of gross unrelated business income, and it was subtracted when computing total gross unrelated business income.

*Net gain (less loss), sales of noncapital assets*—This was the gain or loss from the sale or exchange of business property, as reported on Form 4797, *Sales of Business Property*. Property other than capital assets generally included property of a business nature, in contrast to personal and investment properties, which were capital assets.

*Net operating loss deduction*—The net operating loss carryover or carryback (as described in Internal Revenue Code section 172) was allowed as a deduction (limited to the current-year excess of receipts over deductions, prior to applying the net operating

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loss deduction) in computing unrelated business taxable income. However, the net operating loss carryover or carryback (allowed only to or from a tax year for which the organization was subject to tax on unrelated business income) was determined without taking into account any amount of exempt-function income or deductions that had been excluded from the computation of unrelated business taxable income. A “net operating loss” represented the excess of deductions over receipts for a specified year for which an organization reported an overall deficit from its unrelated trade or business activities. The net operating loss deduction statistics in this article represent only net operating loss carryovers from prior years because carrybacks from future years would be reported in a later year on an amended return, not on the return as initially filed (which served as the basis for the statistics).

*Other deductions*—This included all types of unrelated business deductions that were not specifically required to be reported elsewhere on the tax return. Examples are fees for accounting, legal, consulting, or financial management services; insurance costs (if not for employee-related benefits); equipment costs; mailing costs; office expenses, such as janitorial services, supplies, or security services; rent; travel expenses; educational expenses; and utilities.

*Other income (less loss)*—This included all types of unrelated business income that were not specifically required to be reported elsewhere on the tax return. Examples are insurance benefit fees; member support fees; commissions; returned contributions that were deducted in prior years; income from insurance activities that was not properly set aside in prior years; recoveries of bad debts; and refunds of State or local government tax payments, if the payments were previously reported as a deduction.

*Proxy tax*—This was a tax on certain nondeductible lobbying and political expenditures. A membership organization that was tax-exempt under Internal Revenue Code sections 501(c)(4), 501(c)(5), or 501(c)(6) was liable for the proxy tax if the organization did not notify its members of the shares of their dues that were allocated to the nondeductible lobbying and political expenditures, or if the notice did not include the entire amount of dues that was allocated. The proxy tax was computed as 35 percent of the aggregate amount of nondeductible lobbying expenditures that was not included in the notices sent to the organization’s members. The proxy tax was required

to be reported on Form 990-T and was included in total tax; however, there was no connection between the proxy tax and the taxation of income from an organization’s unrelated business activities.

*Rental income*—For organizations tax exempt under Internal Revenue Code sections other than 501(c)(7), (9), and (17), this was the amount of (1) gross rents from personal property (e.g., computer equipment or furniture) leased with real property, if the rental income from the personal property was more than 10 percent, but not more than 50 percent, of the total rents from all leased property; or (2) gross rents from both real property and personal property leased with real property if the personal property was more than 50 percent of the total rents from all leased property. Except for the second situation described above, gross rents from real property were generally excluded in computing unrelated business taxable income. In addition, gross rents from personal property that did not exceed 10 percent of the total rents from all leased property were not included in gross unrelated business income. Any rents not covered by the explanation of “rental income” had to be considered in terms of their taxability as unrelated business income from controlled organizations or unrelated debt-financed income, in that order. For organizations tax-exempt under sections 501(c)(7), (9), and (17), rental income included all gross rents (except those that were exempt-function income), with no exclusions. (See explanations of Income from controlled organizations and Unrelated debt-financed income.)

*Set-asides*—This deduction from investment income was allowed to social and recreational clubs (Internal Revenue Code section 501(c)(7)), voluntary employees’ beneficiary associations (section 501(c)(9)), and supplemental unemployment benefit trusts (section 501(c)(17)). The deduction was equal to the amount of passive income (generally, investment income) that these organizations set aside (1) to be used for charitable purposes or (2) to provide payment of life, health, accident, or other insurance benefits (section 501(c)(9) and (17) organizations only). However, any amounts set aside that exceeded the “qualified asset account” limit, as figured under section 419A, were not allowed as a deduction from unrelated business investment income; they were treated as taxable investment income. A section 419A qualified asset account is any account consisting of assets set aside to provide for the payment of

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disability benefits, medical benefits, severance pay benefits, or life insurance benefits.

*Specific deduction*—The specific deduction was \$1,000 or the amount of positive taxable income, whichever was less. The amount deducted was considered “not directly connected” with gross unrelated business income and was allowed to all organizations that had positive taxable income after all other types of deductions were taken. This deduction provided the equivalent benefit of the \$1,000 gross unrelated business income filing threshold under which some organizations were exempted from filing a return and paying the unrelated business income tax. (See, also, the explanation of Deductions not directly connected with unrelated business income.)

*Total Deductions*—Total deductions included both deductions reported on the main part of Form 990-T and expense items reported on any of six supporting schedules, which were also part of the tax form. It excluded cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit (less loss) from sales and services, which is a component of gross unrelated business income. (See the explanation of Cost of sales and services.)

*Total tax*—Total tax was unrelated business income tax less the foreign tax credit, general business credit, credit for prior-year minimum tax, and other allowable credits, plus the “proxy tax” on certain lobbying and political expenditures, the “alternative minimum tax,” and “other” taxes.

*Unrelated business activity*—A business activity is considered unrelated if it does not contribute importantly (other than the production of funds) to accomplishing an organization’s charitable, educational, or other purpose that is the basis for the organization’s tax exemption. In determining whether activities contribute importantly to the accomplishment of an exempt purpose, the size, extent, and nature of the activities involved must be considered in relation to the size, extent, and nature of the exempt function that they intend to serve. To the extent an activity is conducted on a scale larger than is reasonably necessary to perform an exempt purpose, it does not contribute importantly to the accomplishment of the exempt purpose. The part of the activity that is more than needed to accomplish the exempt purpose is an unrelated trade or business. Whether an activity contributes importantly depends in each case on the facts involved. See IRS Publication 598, *Tax on*

*Unrelated Business Income of Exempt Organizations*, for additional information on unrelated business income and tax.

The following is a case example from Publication 598. An American folk art museum operates a shop in the museum that sells reproductions of works in the museum’s own collection and also works from the collections of other art museums. In addition, the museum sells souvenir items of the city where the museum is located. The sale of the reproductions, regardless of which museum houses the original works, is considered to be “related” because it contributes importantly to the achievement of the museum’s exempt educational purpose by making works of art familiar to a broader segment of the public, thereby enhancing the public’s understanding and appreciation of art. However, the sale of souvenir items depicting the city in which the museum is located is considered to be “unrelated” because it has no causal relationship to art or to artistic endeavor, and, therefore, does not contribute importantly to the accomplishment of the museum’s exempt educational purposes.

*Unrelated business income*—See definition of gross unrelated business income.

*Unrelated business income tax*—This was the tax imposed on unrelated business taxable income. It was determined based on the regular corporate or trust income tax rates that were in effect for the 2007 Tax Year, as shown in the following schedules. Trusts that were eligible for the maximum 28 percent tax rate on capital gain net income figured their tax based on Schedule D of Form 1041, *U.S. Income Tax Return for Estates and Trusts*.

## Tax Rates for Corporations

Amount of unrelated business taxable income is:

| Over—      | But not over— | Tax is:         | Of the amount over— |
|------------|---------------|-----------------|---------------------|
| \$ 0       | \$50,000      | + 15%           | \$ 0                |
| 50,000     | 75,000        | \$7,500 + 25%   | 50,000              |
| 75,000     | 100,000       | 13,750 + 34%    | 75,000              |
| 100,000    | 335,000       | 22,250 + 39%    | 100,000             |
| 335,000    | 10,000,000    | 113,900 + 34%   | 335,000             |
| 10,000,000 | 15,000,000    | 3,400,000 + 35% | 10,000,000          |
| 15,000,000 | 18,333,333    | 5,150,000 + 38% | 15,000,000          |
| 18,333,333 | 0             | 35%             | 0                   |

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## Tax Rates for Trusts

Amount of unrelated business taxable income is:

| Over—  | But not over— | Tax is:        | Of the amount over— |
|--------|---------------|----------------|---------------------|
| \$ 0   | \$2,150       | + 15%          | \$ 0                |
| 2,150  | 5,000         | \$322.50 + 25% | 2,150               |
| 5,000  | 7,650         | 1,035.50 + 28% | 5,000               |
| 7,650  | 10,450        | 1,777.00 + 33% | 7,650               |
| 10,450 | —             | 2,701 + 35%    | 10,450              |

*Unrelated business taxable income (less deficit) (referenced as Net unrelated business taxable income)*—This was gross income derived from any unrelated trade or business regularly carried on by an exempt organization, less deductions directly connected with carrying on the trade or business and less other allowable deductions not directly connected. On a return-by-return basis, the result of this computation was either positive (unrelated business taxable income), negative (deficit), or zero. Taxable income was subject to the unrelated business income tax. (See, also, explanations of Deductions directly connected with unrelated business income and Deductions not directly connected with unrelated business income.)

*Unrelated debt-financed income*—Gross income from investment property for which acquisition in-

debtedness was outstanding at any time during the tax year was subject to the unrelated business income tax. The percentage of investment income to be included as gross unrelated business income was proportional to the ratio of average acquisition indebtedness to the average adjusted basis of the property. Various types of passive income (generally, investment income) were considered to be unrelated debt-financed income, but only if the income arose from property acquired or improved with borrowed funds and if the production of income was unrelated to the organization's tax-exempt purpose. When any property held for the production of income by an organization was disposed of at a gain during the tax year, and there was acquisition indebtedness outstanding at any time during the 12-month period prior to the date of disposition, the property was considered debt-financed property, and the gain was treated as unrelated debt-financed income. Income from debt-financed property did not include rents from personal property (e.g., computers or furniture) leased with real property, certain passive income (generally, investment income) from controlled organizations, and other amounts that were otherwise included in computing unrelated business taxable income. Internal Revenue Code section 501(c)(7), (9), and (17) organizations reported all debt-financed income as "Investment income (less loss)." All other organizations reported debt-financed income separately.

# Unrelated Business Income Tax Returns, 2007

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**Table 1. Unrelated Business Income Tax Returns: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Type of Tax-Exempt Organization, Tax Year 2007**

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

| Type of tax-exempt organization, as defined by Internal Revenue Code section           | Number of returns | Gross unrelated business income (UBI) | Total deductions [1,2] |                   |
|--|-------------------|---------------------------------------|------------------------|-------------------|
|  |                   |                                       | Number of returns      | Amount            |
|  | (1)               | (2)                                   | (3)                    | (4)               |
| <b>All organizations</b>   | <b>45,069</b>     | <b>11,682,909</b>                     | <b>44,877</b>          | <b>10,254,953</b> |
| 220(e) Archer Medical Savings Accounts   | 0                 | 0                                     | 0                      | 0                 |
| 401(a) Qualified pension, profit-sharing, or stock bonus plans                         | 745               | 470,945                               | 723                    | 126,433           |
| 408(e) Traditional Individual Retirement Arrangements                                  | 7,939             | 87,160                                | 7,900                  | 15,908            |
| 408(A) Roth Individual Retirement Arrangements   | d                 | d                                     | d                      | d                 |
| 501(c)(2) Title-holding corporations for exempt organizations [6]                      | 340               | 57,852                                | 340                    | 40,901            |
| 501(c)(3) Religious, educational, charitable, scientific, or literary organizations    | 14,312            | 6,809,968                             | 14,309                 | 6,536,113         |
| 501(c)(4) Civic leagues and social welfare organizations                               | 1,646             | 547,631                               | 1,646                  | 543,685           |
| 501(c)(5) Labor, agricultural, and horticultural organizations                         | 2,172             | 273,407                               | 2,172                  | 264,553           |
| 501(c)(6) Business leagues, chambers of commerce, and real estate boards               | 5,722             | 1,086,862                             | 5,722                  | 1,040,140         |
| 501(c)(7) Social and recreational clubs  | 6,596             | 665,582                               | 6,596                  | 589,492           |
| 501(c)(8) Fraternal beneficiary societies and associations                             | 994               | 63,239                                | 962                    | 61,849            |
| 501(c)(9) Voluntary employees' beneficiary associations                                | 705               | 1,031,660                             | 673                    | 422,320           |
| 501(c)(10) Domestic fraternal beneficiary societies and associations                   | 280               | 21,231                                | 280                    | 22,363            |
| 501(c)(11) Teachers' retirement fund associations                                      | 0                 | 0                                     | 0                      | 0                 |
| 501(c)(12) Benevolent life insurance associations and certain mutual companies         | 268               | 83,420                                | 268                    | 77,510            |
| 501(c)(13) Cemetery companies  | 121               | 2,699                                 | 121                    | 2,821             |
| 501(c)(14) State-chartered credit unions   | 1,390             | 298,678                               | 1,359                  | 326,234           |
| 501(c)(15) Mutual insurance companies  | 0                 | 0                                     | 0                      | 0                 |
| 501(c)(16) Corporations organized to finance crop operations                           | 0                 | 0                                     | 0                      | 0                 |
| 501(c)(17) Supplemental unemployment benefit trusts                                    | 0                 | 0                                     | 0                      | 0                 |
| 501(c)(18) Employee-funded pension trusts  | 0                 | 0                                     | 0                      | 0                 |
| 501(c)(19) War veterans' posts or organizations  | 1,770             | 169,163                               | 1,738                  | 173,219           |
| 501(c)(21) Black Lung Benefit Trusts [7]   | 0                 | 0                                     | 0                      | 0                 |
| 501(c)(22) Withdrawal liability payment funds  | 0                 | 0                                     | 0                      | 0                 |
| 501(c)(23) Veterans' associations founded before 1880                                  | 0                 | 0                                     | 0                      | 0                 |
| 501(c)(24) Trusts described in section 4049 of Employee Retirement Income Security Act | 0                 | 0                                     | 0                      | 0                 |
| 501(c)(25) Title-holding companies with no more than 35 shareholders                   | 0                 | 0                                     | 0                      | 0                 |
| 501(c)(26) High-risk health insurance plans  | 0                 | 0                                     | 0                      | 0                 |
| 501(c)(27) Workers' compensation reinsurance plans                                     | d                 | d                                     | d                      | d                 |
| 529(a) Qualified State Tuition Plans   | 0                 | 0                                     | 0                      | 0                 |
| 530(a) Coverdell Education Savings Accounts  | 0                 | 0                                     | 0                      | 0                 |
| Not Allocable  | d                 | d                                     | d                      | d                 |

Footnotes at end of table.

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**Table 1. Unrelated Business Income Tax Returns: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Type of Tax-Exempt Organization, Tax Year 2007—Continued**

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

| Type of tax-exempt organization, as defined by Internal Revenue Code section           | Unrelated business taxable income (less deficit) [3] |                  | Unrelated business taxable income [4] |                  | Total tax [5]     |                |
|--|--|------------------|---------------------------------------|------------------|-------------------|----------------|
|  | Number of returns                                    | Amount           | Number of returns                     | Amount           | Number of returns | Amount         |
|  | (5)  | (6)              | (7)                                   | (8)              | (9)               | (10)           |
| <b>All organizations</b>   | <b>36,635</b>  | <b>1,427,956</b> | <b>23,796</b>                         | <b>2,316,677</b> | <b>23,614</b>     | <b>594,126</b> |
| 220(e) Archer Medical Savings Accounts   | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 401(a) Qualified pension, profit-sharing, or stock bonus plans                         | 726  | 344,512          | 695                                   | 350,919          | 693               | 71,724         |
| 408(e) Traditional Individual Retirement Arrangements                                  | 7,586  | 71,252           | 7,394                                 | 72,118           | 7,298             | 17,989         |
| 408(A) Roth Individual Retirement Arrangements   | d  | d                | d                                     | d                | d                 | d              |
| 501(c)(2) Title-holding corporations for exempt organizations [6]                      | 289  | 16,951           | 231                                   | 20,976           | 212               | 6,744          |
| 501(c)(3) Religious, educational, charitable, scientific, or literary organizations    | 11,291   | 273,855          | 5,741                                 | 903,615          | 5,730             | 276,895        |
| 501(c)(4) Civic leagues and social welfare organizations                               | 1,255  | 3,946            | 562                                   | 28,999           | 559               | 8,802          |
| 501(c)(5) Labor, agricultural, and horticultural organizations                         | 1,608  | 8,854            | 839                                   | 24,791           | 821               | 6,373          |
| 501(c)(6) Business leagues, chambers of commerce, and real estate boards               | 3,875  | 46,722           | 1,982                                 | 109,048          | 2,091             | 31,884         |
| 501(c)(7) Social and recreational clubs  | 5,538  | 76,090           | 4,048                                 | 115,292          | 3,960             | 27,708         |
| 501(c)(8) Fraternal beneficiary societies and associations                             | 806  | 1,391            | 429                                   | 5,954            | 429               | 1,419          |
| 501(c)(9) Voluntary employees' beneficiary associations                                | 478  | 609,340          | 448                                   | 643,832          | 415               | 134,392        |
| 501(c)(10) Domestic fraternal beneficiary societies and associations                   | 171  | -1,131           | 40                                    | 774              | 40                | 177            |
| 501(c)(11) Teachers' retirement fund associations                                      | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 501(c)(12) Benevolent life insurance associations and certain mutual companies         | 187  | 5,910            | 108                                   | 8,395            | 108               | 2,381          |
| 501(c)(13) Cemetery companies  | 115  | #REF!            | 96                                    | 496              | 96                | 74             |
| 501(c)(14) State-chartered credit unions   | 1,279  | -27,555          | 494                                   | 21,142           | 490               | 5,559          |
| 501(c)(15) Mutual insurance companies  | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 501(c)(16) Corporations organized to finance crop operations                           | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 501(c)(17) Supplemental unemployment benefit trusts                                    | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 501(c)(18) Employee-funded pension trusts  | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 501(c)(19) War veterans' posts or organizations  | 1,398  | -4,056           | 655                                   | 8,328            | 638               | 1,449          |
| 501(c)(21) Black Lung Benefit Trusts [7]   | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 501(c)(22) Withdrawal liability payment funds  | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 501(c)(23) Veterans' associations founded before 1880                                  | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 501(c)(24) Trusts described in section 4049 of Employee Retirement Income Security Act | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 501(c)(25) Title-holding companies with no more than 35 shareholders                   | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 501(c)(26) High-risk health insurance plans  | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 501(c)(27) Workers' compensation reinsurance plans                                     | d  | d                | d                                     | d                | d                 | d              |
| 529(a) Qualified State Tuition Plans   | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| 530(a) Coverdell Education Savings Accounts  | 0  | 0                | 0                                     | 0                | 0                 | 0              |
| Not Allocable  | d  | d                | d                                     | d                | d                 | d              |

d—Data deleted to avoid disclosure of information for specific taxpayers. However, data are included in the appropriate totals.

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was \$2.6 billion.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Excludes data from 8,434 returns with equal amounts of gross UBI and total deductions.

[4] Includes data from returns with positive amounts of unrelated business taxable income only.

[5] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax, but it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the \$1,000 filing threshold, total proxy tax was \$1.7 million.

[6] Corporations that are organized under an Act of Congress and are instrumentalities of the United States, described in section 501(c)(1) of the Internal Revenue Code, are not subject to unrelated business income taxation.

[7] Prepaid legal service funds, previously described in section 501(c)(20) of the Internal Revenue Code, were no longer tax-exempt, beginning with tax years after June 30, 1992. Therefore, these organizations are not listed in this table.

NOTE: Detail may not add to totals because of rounding. For more complete descriptions of the types of tax-exempt organizations filing Form 990-T, by the Internal Revenue Code section describing them, see the Appendix to the most recent Unrelated Business Income Tax (UBIT) article listed under Publications and Papers on the Exempt Organizations' UBIT Statistics page of the IRS website (<http://www.irs.gov/taxstats/charitablestats/article/0,,id=97210,00.html>).

# Unrelated Business Income Tax Returns, 2007

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**Table 2. Unrelated Business Income Tax Returns: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Size of Gross UBI, Tax Year 2007**

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

| Size of gross unrelated business income (UBI) | Number of returns | Gross unrelated business income (UBI) | Total deductions [1,2] |                   | Unrelated business taxable income (less deficit) [3] |                  | Unrelated business taxable income [4] |                  | Total tax [5]     |                |
|---|-------------------|---------------------------------------|------------------------|-------------------|--|------------------|---------------------------------------|------------------|-------------------|----------------|
|   |                   |                                       | Number of returns      | Amount            | Number of returns                                    | Amount           | Number of returns                     | Amount           | Number of returns | Amount         |
|   | (1)               | (2)                                   | (3)                    | (4)               | (5)  | (6)              | (7)                                   | (8)              | (9)               | (10)           |
| <b>Total</b>                                  | <b>45,069</b>     | <b>11,682,909</b>                     | <b>44,877</b>          | <b>10,254,953</b> | <b>36,635</b>  | <b>1,427,956</b> | <b>23,796</b>                         | <b>2,316,677</b> | <b>23,614</b>     | <b>594,126</b> |
| \$1,000 under \$10,001 [6]                    | 19,938            | 81,715                                | 19,777                 | 76,656            | 16,569   | 5,059            | 12,620                                | 28,742           | 12,422            | 4,849          |
| \$10,001 under \$100,000 [6]                  | 14,927            | 653,653                               | 14,907                 | 614,365           | 11,857   | 39,289           | 6,744                                 | 148,190          | 6,742             | 28,486         |
| \$100,000 under \$500,000                     | 6,932             | 1,529,412                             | 6,923                  | 1,467,400         | 5,582  | 62,012           | 2,959                                 | 245,708          | 2,927             | 63,327         |
| \$500,000 under \$1,000,000                   | 1,467             | 1,019,230                             | 1,466                  | 961,450           | 1,209  | 57,780           | 696                                   | 161,440          | 696               | 47,114         |
| \$1,000,000 under \$5,000,000                 | 1,431             | 2,990,724                             | 1,430                  | 2,767,664         | 1,125  | 223,059          | 607                                   | 511,844          | 636               | 150,498        |
| \$5,000,000 or more                           | 374               | 5,408,175                             | 373                    | 4,367,418         | 293  | 1,040,757        | 171                                   | 1,220,754        | 191               | 299,852        |

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was \$2.6 billion.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Excludes data from 8,434 returns with equal amounts of gross UBI and total deductions.

[4] Includes data from returns with positive amounts of unrelated business taxable income only.

[5] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the \$1,000 filing threshold, total proxy tax was \$1.7 million.

[6] The gross unrelated business income (UBI) brackets of "\$1,000 under \$10,001" and "\$10,001 under \$100,000" reflect the different filing requirements for organizations with gross UBI of \$10,000 or less (not required to report itemized expenses and deductions, or to complete return schedules) and all other Form 990-T filers (required to file a more detailed "complete" return). Organizations with gross UBI below \$1,000 were not required to file Form 990-T.

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

# Unrelated Business Income Tax Returns, 2007

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**Table 3. Unrelated Business Income Tax Returns: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), and Total Tax, by Size of Unrelated Business Taxable Income or Deficit, Tax Year 2007**

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

| Size of unrelated business taxable income or deficit | Number of returns | Gross unrelated business income (UBI) | Total deductions [1,2] |                   | Unrelated business taxable income (less deficit) |                  | Total tax [3]     |                |
|--|-------------------|---------------------------------------|------------------------|-------------------|--|------------------|-------------------|----------------|
|  |                   |                                       | Number of returns      | Amount            | Number of returns                                | Amount           | Number of returns | Amount         |
|  | (1)               | (2)                                   | (3)                    | (4)               | (5)  | (6)              | (7)               | (8)            |
| <b>Total</b>   | <b>45,069</b>     | <b>11,682,909</b>                     | <b>44,877</b>          | <b>10,254,953</b> | <b>36,635</b>                                    | <b>1,427,956</b> | <b>23,614</b>     | <b>594,126</b> |
| Deficit  | 12,838            | 3,781,222                             | 12,838                 | 4,669,944         | 12,838   | -888,721         | 34                | 1,308          |
| Zero [4]   | 8,434             | 2,550,770                             | 8,434                  | 2,550,770         | [4] 0  | [4] 0            | 185               | 3,332          |
| \$1 under \$1,000                                    | 5,359             | 40,939                                | 5,359                  | 38,575            | 5,359  | 2,365            | 5,204             | 343            |
| \$1,000 under \$10,000                               | 9,972             | 283,093                               | 9,812                  | 244,625           | 9,972  | 38,468           | 9,839             | 6,214          |
| \$10,000 under \$100,000                             | 6,532             | 1,012,406                             | 6,512                  | 791,879           | 6,532  | 220,527          | 6,437             | 41,162         |
| \$100,000 under \$500,000                            | 1,366             | 936,651                               | 1,357                  | 644,667           | 1,366  | 291,984          | 1,356             | 86,669         |
| \$500,000 under \$1,000,000                          | 243               | 449,787                               | 242                    | 277,479           | 243  | 172,307          | 240               | 51,424         |
| \$1,000,000 or more                                  | 324               | 2,628,041                             | 322                    | 1,037,015         | 324  | 1,591,026        | 319               | 403,673        |

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was \$2.6 billion.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the \$1,000 filing threshold, total proxy tax was \$1.7 million.

[4] The Zero category includes 8,434 returns with equal amounts of gross unrelated business income and total deductions.

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

# Unrelated Business Income Tax Returns, 2007

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**Table 4. Unrelated Business Income Tax Returns: Returns with Positive Unrelated Business Taxable Income: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income, and Total Tax, by Type of Entity and Size**

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

| Type of entity and size of gross unrelated business income (UBI) | Number of returns | Gross unrelated business income (UBI) | Total deductions [1,2] |                  | Unrelated business taxable income [4] | Total tax [3]     |                |
|--|-------------------|---------------------------------------|------------------------|------------------|---------------------------------------|-------------------|----------------|
|  |                   |                                       | Number of returns      | Amount           |                                       | Number of returns | Amount         |
|  | (1)               | (2)                                   | (3)                    | (4)              | (5)                                   | (6)               | (7)            |
| <b>ALL ENTITIES</b>  |                   |                                       |                        |                  |                                       |                   |                |
| <b>Total</b>   | <b>23,796</b>     | <b>5,350,917</b>                      | <b>23,604</b>          | <b>3,034,240</b> | <b>2,316,677</b>                      | <b>23,395</b>     | <b>589,485</b> |
| \$1,000 under \$10,001 [4]                                       | 12,620            | 46,732                                | 12,460                 | 17,991           | 28,742                                | 12,389            | 4,571          |
| \$10,001 under \$100,000 [4]                                     | 6,744             | 291,738                               | 6,723                  | 143,548          | 148,190                               | 6,685             | 28,076         |
| \$100,000 under \$500,000  | 2,959             | 667,703                               | 2,950                  | 421,996          | 245,708                               | 2,871             | 63,148         |
| \$500,000 under \$1,000,000                                      | 696               | 483,745                               | 695                    | 322,306          | 161,440                               | 682               | 46,981         |
| \$1,000,000 under \$5,000,000                                    | 607               | 1,259,937                             | 606                    | 748,093          | 511,844                               | 600               | 150,146        |
| \$5,000,000 or more  | 171               | 2,601,061                             | 170                    | 1,380,307        | 1,220,754                             | 167               | 296,564        |
| <b>TAX-EXEMPT CORPORATIONS</b>                                   |                   |                                       |                        |                  |                                       |                   |                |
| <b>Total</b>   | <b>14,567</b>     | <b>3,901,417</b>                      | <b>14,468</b>          | <b>2,754,306</b> | <b>1,147,111</b>                      | <b>14,331</b>     | <b>343,557</b> |
| \$1,000 under \$10,001 [4]                                       | 5,375             | 25,458                                | 5,278                  | 9,862            | 15,596                                | 5,304             | 2,340          |
| \$10,001 under \$100,000 [4]                                     | 5,400             | 249,319                               | 5,398                  | 140,764          | 108,555                               | 5,342             | 17,108         |
| \$100,000 under \$500,000  | 2,575             | 577,958                               | 2,574                  | 403,940          | 174,018                               | 2,488             | 43,855         |
| \$500,000 under \$1,000,000                                      | 611               | 422,515                               | 611                    | 310,905          | 111,610                               | 598               | 34,477         |
| \$1,000,000 under \$5,000,000                                    | 484               | 992,323                               | 484                    | 686,768          | 305,555                               | 479               | 100,371        |
| \$5,000,000 or more  | 123               | 1,633,843                             | 123                    | 1,202,066        | 431,777                               | 121               | 145,406        |
| <b>TAX-EXEMPT TRUSTS</b>   |                   |                                       |                        |                  |                                       |                   |                |
| <b>Total</b>   | <b>9,229</b>      | <b>1,449,500</b>                      | <b>9,135</b>           | <b>279,934</b>   | <b>1,169,566</b>                      | <b>9,064</b>      | <b>245,928</b> |
| \$1,000 under \$10,001 [4]                                       | 7,246             | 21,274                                | 7,181                  | 8,128            | 13,146                                | 7,085             | 2,231          |
| \$10,001 under \$100,000 [4]                                     | 1,344             | 42,419                                | 1,325                  | 2,784            | 39,634                                | 1,344             | 10,967         |
| \$100,000 under \$500,000  | 384               | 89,745                                | 376                    | 18,056           | 71,689                                | 384               | 19,293         |
| \$500,000 under \$1,000,000                                      | 85                | 61,230                                | 84                     | 11,400           | 49,830                                | 84                | 12,504         |
| \$1,000,000 under \$5,000,000                                    | 123               | 267,614                               | 122                    | 61,325           | 206,289                               | 121               | 49,775         |
| \$5,000,000 or more  | 48                | 967,219                               | 47                     | 178,241          | 788,978                               | 46                | 151,158        |

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For exempt organizations reporting positive unrelated business taxable income, cost of sales and services was \$8.7 million, 99 percent of which was attributable to tax-exempt corporations.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting positive unrelated business taxable income, total proxy tax was \$0.5 million.

[4] The gross unrelated business income (UBI) brackets of "\$1,000 under \$10,001" and "\$10,001 under \$100,000" reflect the different filing requirements for organizations with gross UBI of \$10,000 or less (not required to report itemized expenses and deductions, or to complete return schedules) and all other Form 990-T filers (required to file a more detailed "complete" return). Organizations with gross UBI below \$1,000 were not required to file Form 990-T.

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

# Unrelated Business Income Tax Returns, 2007

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**Table 5. Unrelated Business Income Tax Returns: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Primary Unrelated Business Activity or Industrial**

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

| Primary unrelated business activity or industrial grouping                       | Number of returns | Gross unrelated business income (UBI) | Total deductions [1,2] |                   | Unrelated business taxable income (less deficit) [3] |                  | Unrelated business taxable income [4] |                  | Total tax [5]     |                |
|--|-------------------|---------------------------------------|------------------------|-------------------|--|------------------|---------------------------------------|------------------|-------------------|----------------|
|  |                   |                                       | Number of returns      | Amount            | Number of returns                                    | Amount           | Number of returns                     | Amount           | Number of returns | Amount         |
|  | (1)               | (2)                                   | (3)                    | (4)               | (5)  | (6)              | (7)                                   | (8)              | (9)               | (10)           |
| <b>All activities and groupings</b>  | <b>45,069</b>     | <b>11,682,909</b>                     | <b>44,877</b>          | <b>10,254,953</b> | <b>36,635</b>  | <b>1,427,956</b> | <b>23,796</b>                         | <b>2,316,677</b> | <b>23,614</b>     | <b>594,126</b> |
| Agriculture, forestry, hunting, and fishing                                      | 143               | 44,851                                | 143                    | 18,950            | 134  | 25,901           | 57                                    | 28,976           | 57                | 9,887          |
| Mining   | 361               | 49,233                                | 361                    | 24,207            | 335  | 25,026           | 333                                   | 25,153           | 301               | 5,841          |
| Utilities  | d                 | d                                     | d                      | d                 | d  | d                | d                                     | d                | d                 | d              |
| Construction   | 83                | 46,313                                | 83                     | 42,439            | 79   | 3,874            | 77                                    | 4,194            | 77                | 1,325          |
| Manufacturing  | 183               | 95,784                                | 165                    | 54,162            | 175  | 41,622           | 160                                   | 49,028           | 160               | 16,213         |
| Wholesale trade  | 73                | 33,308                                | 73                     | 12,330            | 73   | 20,978           | 57                                    | 21,897           | 57                | 5,964          |
| Retail trade   | 1,421             | 837,352                               | 1,421                  | 853,952           | 1,195  | -16,600          | 469                                   | 52,211           | 473               | 16,403         |
| Transportation and warehousing   | 30                | 20,089                                | 30                     | 11,731            | 30   | 8,358            | * 6                                   | * 9,922          | * 6               | * 3,362        |
| Information  | 765               | 219,683                               | 765                    | 212,052           | 562  | 7,631            | 212                                   | 22,492           | 213               | 7,371          |
| Finance and insurance, total   | 16,757            | 3,109,131                             | 16,617                 | 1,781,001         | 14,920   | 1,328,129        | 13,155                                | 1,492,012        | 12,959            | 351,157        |
| Unrelated debt-financed activities, other than rental of real estate             | 1,523             | 417,252                               | 1,516                  | 136,098           | 1,414  | 281,154          | 1,322                                 | 297,294          | 1,321             | 85,812         |
| Investment activities of Code section 501(c)(7), (9), and (17) organizations [6] | 3,893             | 1,185,742                             | 3,861                  | 540,458           | 3,160  | 645,283          | 2,900                                 | 679,332          | 2,817             | 142,601        |
| Passive income activities with controlled organizations                          | 392               | 224,707                               | 392                    | 181,986           | 337  | 42,721           | 285                                   | 52,249           | 269               | 10,733         |
| Other finance and insurance  | 10,949            | 1,281,430                             | 10,848                 | 922,459           | 10,009   | 358,971          | 8,648                                 | 463,137          | 8,552             | 112,011        |
| Real estate and rental and leasing, total  | 7,051             | 1,061,623                             | 7,049                  | 1,006,845         | 6,138  | 54,777           | 3,352                                 | 190,772          | 3,321             | 54,072         |
| Rental of personal property  | 397               | 51,025                                | 396                    | 55,610            | 359  | -4,586           | 156                                   | 5,817            | 157               | 1,667          |
| Other real estate and rental and leasing   | 6,654             | 1,010,598                             | 6,653                  | 951,235           | 5,779  | 59,363           | 3,196                                 | 184,955          | 3,164             | 52,405         |
| Professional, scientific, and technical services                                 | 8,649             | 2,130,697                             | 8,649                  | 2,127,865         | 5,448  | 2,832            | 2,543                                 | 147,592          | 2,633             | 43,796         |
| Management of companies and enterprises  | 28                | 26,022                                | 28                     | 4,142             | 24   | 21,879           | 21                                    | 22,077           | 21                | 4,778          |
| Administrative and support and waste management and remediation services         | 853               | 491,183                               | 853                    | 504,828           | 631  | -13,645          | 260                                   | 23,342           | 265               | 7,416          |
| Educational services   | 53                | 60,566                                | 53                     | 68,703            | 51   | -8,137           | * 4                                   | * 203            | * 4               | * 18           |
| Healthcare and social assistance   | 1,034             | 1,816,547                             | 1,034                  | 1,817,460         | 847  | -913             | 434                                   | 131,962          | 465               | 43,591         |
| Arts, entertainment, and recreation  | 4,143             | 768,838                               | 4,143                  | 818,343           | 3,169  | -49,504          | 1,399                                 | 36,723           | 1,376             | 8,116          |
| Accommodation and food services  | 2,510             | 651,440                               | 2,478                  | 680,130           | 2,063  | -28,690          | 812                                   | 35,508           | 780               | 9,148          |
| Other services   | 624               | 122,151                               | 624                    | 126,663           | 502  | -4,512           | 281                                   | 8,326            | 282               | 1,944          |
| Exploited exempt activities  | 256               | 82,933                                | 256                    | 75,828            | 209  | 7,105            | 143                                   | 11,392           | 143               | 3,329          |
| Not allocable  | d                 | d                                     | d                      | d                 | d  | d                | d                                     | d                | d                 | d              |

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

d = Data were deleted to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was \$2.6 billion.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Excludes data from 8,434 returns with equal amounts of gross UBI and total deductions.

[4] Includes data from returns with positive amounts of unrelated business taxable income only.

[5] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the \$1,000 filing threshold, total proxy tax was \$1.7 million.

[6] Section 501(c)(7) organizations are social and recreational clubs; section 501(c)(9) organizations are voluntary employees' beneficiary associations; and section 501(c)(17) organizations are supplemental unemployment benefit trusts. See Table 1 for separate data on each of these organizations.

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

# Unrelated Business Income Tax Returns, 2007

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**Table 6. Unrelated Business Income Tax Returns: Sources of Gross Unrelated Business Income (UBI), by Size of Gross UBI, Tax Year 2006**

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

| Size of gross unrelated business income (UBI) | Gross unrelated business income (UBI)                      |                   | Sources of gross unrelated business income (UBI)     |                  |   |                  |
|---|--|-------------------|--|------------------|---|------------------|
|   |  |                   | Gross profit (less loss) from sales and services     |                  | Capital gain net income                                 |                  |
|   | Number of returns  | Amount            | Number of returns                                    | Amount           | Number of returns                                       | Amount           |
|   | (1)  | (2)               | (3)  | (4)              | (5)   | (6)              |
| <b>Total</b>                                  | <b>45,069</b>  | <b>11,682,909</b> | <b>15,842</b>  | <b>5,428,138</b> | <b>3,623</b>  | <b>1,106,889</b> |
| \$1,000 under \$10,001 [1]                    | 19,938   | 81,715            | 3,770  | 16,877           | 1,871   | 6,613            |
| <b>\$10,001 or more, total [1]</b>            | <b>25,131</b>  | <b>11,601,194</b> | <b>12,073</b>  | <b>5,411,261</b> | <b>1,752</b>  | <b>1,100,276</b> |
| \$10,001 under \$100,000                      | 14,927   | 653,653           | 6,060  | 237,336          | 953   | 26,453           |
| \$100,000 under \$500,000                     | 6,932  | 1,529,412         | 3,972  | 741,487          | 474   | 71,866           |
| \$500,000 under \$1,000,000                   | 1,467  | 1,019,230         | 928  | 517,404          | 96  | 53,005           |
| \$1,000,000 under \$5,000,000                 | 1,431  | 2,990,724         | 872  | 1,485,818        | 154   | 182,287          |
| \$5,000,000 or more                           | 374  | 5,408,175         | 241  | 2,429,216        | 75  | 766,665          |
| Size of gross unrelated business income (UBI) | Sources of gross unrelated business income (UBI)—continued |                   |  |                  |   |                  |
|   | Net capital loss (trusts only)                             |                   | Net gain (less loss), sales of noncapital assets [2] |                  | Income (less loss) from partnerships and S corporations |                  |
|   | Number of returns  | Amount            | Number of returns                                    | Amount           | Number of returns                                       | Amount           |
|   | (7)  | (8)               | (9)  | (10)             | (11)  | (12)             |
| <b>Total</b>                                  | <b>47</b>  | <b>76</b>         | <b>306</b>   | <b>52,399</b>    | <b>11,164</b>   | <b>708,670</b>   |
| \$1,000 under \$10,001 [1]                    | 0  | 0                 | 97   | 216              | 7,508   | 16,027           |
| <b>\$10,001 or more, total [1]</b>            | <b>47</b>  | <b>76</b>         | <b>209</b>   | <b>52,182</b>    | <b>3,656</b>  | <b>692,642</b>   |
| \$10,001 under \$100,000                      | **30   | **27              | **139  | **46,199         | 2,225   | 53,828           |
| \$100,000 under \$500,000                     | **   | **                | **   | **               | 749   | 71,199           |
| \$500,000 under \$1,000,000                   | * 5  | * 14              | 31   | 2,026            | 224   | 45,636           |
| \$1,000,000 under \$5,000,000                 | 12   | 36                | 39   | 3,957            | 312   | 176,524          |
| \$5,000,000 or more                           | **   | **                | **   | **               | 146   | 345,455          |

Footnotes at end of table.

# Unrelated Business Income Tax Returns, 2007

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**Table 6. Unrelated Business Income Tax Returns: Sources of Gross Unrelated Business Income (UBI), by Size of Gross UBI, Tax Year 2006—Continued**

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

| Size of gross unrelated business income (UBI) | Sources of gross unrelated business income (UBI)—continued |                |                                |                |                                   |                |
|---|--|----------------|--------------------------------|----------------|-----------------------------------|----------------|
|   | Rental income [3]  |                | Unrelated debt-financed income |                | Investment income (less loss) [4] |                |
|   | Number of returns  | Amount         | Number of returns              | Amount         | Number of returns                 | Amount         |
|   | (13)   | (14)           | (15)                           | (16)           | (17)                              | (18)           |
| <b>Total</b>                                  | <b>4,197</b>   | <b>282,578</b> | <b>3,596</b>                   | <b>539,246</b> | <b>5,682</b>                      | <b>712,736</b> |
| \$1,000 under \$10,001 [1]                    | 1,241  | 6,273          | 1,132                          | 5,703          | 2,822                             | 10,291         |
| <b>\$10,001 or more, total [1]</b>            | <b>2,956</b>   | <b>276,304</b> | <b>2,464</b>                   | <b>533,544</b> | <b>2,859</b>                      | <b>702,444</b> |
| \$10,001 under \$100,000                      | 1,973  | 61,350         | 1,399                          | 44,078         | 1,349                             | 31,490         |
| \$100,000 under \$500,000                     | 670  | 64,362         | 710                            | 106,995        | 1,031                             | 72,525         |
| \$500,000 under \$1,000,000                   | 141  | 38,650         | 156                            | 66,131         | 265                               | 43,836         |
| \$1,000,000 under \$5,000,000                 | 135  | 77,580         | 155                            | 150,740        | 178                               | 199,516        |
| \$5,000,000 or more                           | 37   | 34,362         | 44                             | 165,600        | 36                                | 355,077        |

| Size of gross unrelated business income (UBI) | Sources of gross unrelated business income (UBI)—continued |                |  |                |                    |                  |                          |                  |
|---|--|----------------|--|----------------|--------------------|------------------|--------------------------|------------------|
|   | Income from controlled organizations [5]                   |                | Exploited exempt activity income, except advertising |                | Advertising income |                  | Other income (less loss) |                  |
|   | Number of returns  | Amount         | Number of returns                                    | Amount         | Number of returns  | Amount           | Number of returns        | Amount           |
|   | (19)   | (20)           | (21)   | (22)           | (23)               | (24)             | (25)                     | (26)             |
| <b>Total</b>                                  | <b>873</b>   | <b>102,421</b> | <b>916</b>   | <b>211,583</b> | <b>8,068</b>       | <b>1,477,093</b> | <b>6,149</b>             | <b>1,061,233</b> |
| \$1,000 under \$10,001 [1]                    | 235  | 637            | 172  | 1,185          | 2,889              | 13,158           | 1,618                    | 4,736            |
| <b>\$10,001 or more, total [1]</b>            | <b>638</b>   | <b>101,783</b> | <b>744</b>   | <b>210,398</b> | <b>5,179</b>       | <b>1,463,934</b> | <b>4,531</b>             | <b>1,056,497</b> |
| \$10,001 under \$100,000                      | 341  | 11,901         | 296  | 8,777          | 3,077              | 105,786          | 2,434                    | 71,903           |
| \$100,000 under \$500,000                     | 167  | 18,992         | 241  | 22,426         | 1,394              | 230,380          | 1,419                    | 124,513          |
| \$500,000 under \$1,000,000                   | 36   | 8,014          | 82   | 29,874         | 295                | 138,487          | 281                      | 76,180           |
| \$1,000,000 under \$5,000,000                 | 71   | 37,648         | 101  | 81,450         | 342                | 398,762          | 304                      | 196,476          |
| \$5,000,000 or more                           | 23   | 25,228         | 24   | 67,871         | 71                 | 590,519          | 93                       | 587,425          |

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

\*\* Data in adjacent size classes are combined to avoid disclosure of information about specific taxpayers.

[1] The gross unrelated business income (UBI) brackets of "\$1,000 under \$10,001" and "\$10,001 or more" reflect the different filing requirements for organizations with gross UBI of \$10,000 or less (not required to report itemized expenses and deductions, or to complete return schedules) and all other Form 990-T filers (required to file a more detailed "complete" return). Organizations with gross UBI below \$1,000 were not required to file Form 990-T.

[2] Property other than capital assets generally included property of a business nature, in contrast to personal property and investment property, which were capital assets.

[3] Income from real property and personal property leased with real property.

[4] Reported by Internal Revenue Code section 501(c)(7) social and recreational clubs, section 501(c)(9) voluntary employees' beneficiary associations, and section 501(c)(17) supplemental unemployment benefit trusts only. See Table 1 for separate data on each of these organizations.

[5] Annuities, interest, rents, and royalties.

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

# Unrelated Business Income Tax Returns, 2007

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**Table 7. Unrelated Business Income Tax Returns: Types of Deductions by Size of Gross Unrelated Business Income (UBI), Tax Year 2006**

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

| Item  | Size of gross unrelated business income |                   |                            |               |                              |                |                           |
|---|---|-------------------|----------------------------|---------------|------------------------------|----------------|---------------------------|
|   | All                                     |                   | \$1,000 under \$10,001 [3] |               | \$10,001 under \$100,000 [3] |                | \$100,000 under \$500,000 |
|   | Number of returns                       | Amount            | Number of returns          | Amount        | Number of returns            | Amount         | Number of returns         |
|   | (1)                                     | (2)               | (3)                        | (4)           | (5)                          | (6)            | (7)                       |
| <b>Number of returns</b>  | <b>45,069</b>                           | <b>N/A</b>        | <b>19,938</b>              | <b>N/A</b>    | <b>14,927</b>                | <b>N/A</b>     | <b>6,932</b>              |
| <b>Total deductions</b>   | <b>44,877</b>                           | <b>10,254,953</b> | <b>19,777</b>              | <b>76,656</b> | <b>14,907</b>                | <b>614,365</b> | <b>6,923</b>              |
| <b>Organizations with gross unrelated business income (UBI) of \$1,000 under \$10,001 [3]</b> |   |                   |                            |               |                              |                |                           |
| <b>Total deductions [2,4]</b>   | <b>19,777</b>                           | <b>76,656</b>     | <b>19,777</b>              | <b>76,656</b> | <b>N/A</b>                   | <b>N/A</b>     | <b>N/A</b>                |
| Net operating loss deduction  | 1,303                                   | 2,529             | 1,303                      | 2,529         | N/A                          | N/A            | N/A                       |
| Specific deduction  | 13,727                                  | 13,095            | 13,727                     | 13,095        | N/A                          | N/A            | N/A                       |
| <b>Organizations with gross unrelated business income (UBI) of \$10,001 or more [3]</b>       |   |                   |                            |               |                              |                |                           |
| <b>Total deductions [2,5]</b>   | <b>25,099</b>                           | <b>10,178,297</b> | <b>N/A</b>                 | <b>N/A</b>    | <b>14,907</b>                | <b>614,365</b> | <b>6,923</b>              |
| <b>Deductions directly connected with UBI</b>   | <b>22,617</b>                           | <b>9,374,419</b>  | <b>N/A</b>                 | <b>N/A</b>    | <b>12,919</b>                | <b>576,961</b> | <b>6,568</b>              |
| Allocable to rental income [6]  | 1,594                                   | 187,668           | N/A                        | N/A           | 1,037                        | 33,692         | 350                       |
| Allocable to unrelated debt-financed income [6]   | 2,257                                   | 537,171           | N/A                        | N/A           | 1,270                        | 55,837         | 659                       |
| Allocable to investment income [6,7]  | 968                                     | 39,399            | N/A                        | N/A           | 294                          | 5,016          | 393                       |
| Allocable to income from controlled organizations [6]   | 397                                     | 80,076            | N/A                        | N/A           | 231                          | 8,112          | 73                        |
| Allocable to exploited exempt activity income, except advertising [6]                         | 622                                     | 164,946           | N/A                        | N/A           | 259                          | 9,719          | 177                       |
| Direct advertising costs [6]  | 4,747                                   | 1,034,924         | N/A                        | N/A           | 2,816                        | 77,349         | 1,263                     |
| Compensation of officers, directors, and trustees   | 1,941                                   | 60,292            | N/A                        | N/A           | 817                          | 9,094          | 761                       |
| Salaries and wages  | 10,308                                  | 1,852,559         | N/A                        | N/A           | 4,791                        | 111,626        | 3,674                     |
| Repairs and maintenance   | 7,449                                   | 136,944           | N/A                        | N/A           | 3,544                        | 14,603         | 2,709                     |
| Bad debts   | 906                                     | 98,454            | N/A                        | N/A           | 163                          | 46             | 389                       |
| Interest  | 2,841                                   | 110,643           | N/A                        | N/A           | 1,227                        | 12,968         | 1,078                     |
| Taxes and licenses paid deduction   | 10,995                                  | 228,694           | N/A                        | N/A           | 5,573                        | 22,116         | 3,761                     |
| Depreciation  | 7,581                                   | 258,325           | N/A                        | N/A           | 3,595                        | 20,942         | 2,638                     |
| Depletion   | 133                                     | 6,228             | N/A                        | N/A           | 110                          | 654            | * 7                       |
| Contributions to deferred compensation plans  | 1,230                                   | 15,222            | N/A                        | N/A           | 371                          | 574            | 531                       |
| Contributions to employee benefit programs  | 5,214                                   | 298,767           | N/A                        | N/A           | 1,818                        | 8,526          | 2,079                     |
| Net operating loss deduction  | 3,382                                   | 305,029           | N/A                        | N/A           | 1,781                        | 19,266         | 1,035                     |
| Other deductions  | 25,132                                  | 3,959,076         | N/A                        | N/A           | 14,927                       | 166,822        | 6,932                     |
| <b>Deductions not directly connected with UBI</b>   | <b>14,014</b>                           | <b>803,878</b>    | <b>N/A</b>                 | <b>N/A</b>    | <b>8,470</b>                 | <b>37,404</b>  | <b>3,715</b>              |
| Specific deduction  | 11,820                                  | 11,395            | N/A                        | N/A           | 7,268                        | 6,947          | 3,084                     |
| Charitable contributions  | 2,460                                   | 110,586           | N/A                        | N/A           | **1,426                      | **6,663        | 633                       |
| Set-asides [7]  | 265                                     | 318,747           | N/A                        | N/A           | **                           | **             | 122                       |
| Excess exempt-activity expenses [8]   | 2,408                                   | 363,150           | N/A                        | N/A           | 1,253                        | 23,793         | 722                       |

Footnotes at end of table.

# Unrelated Business Income Tax Returns, 2007

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**Table 7. Unrelated Business Income Tax Returns: Types of Deductions by Size of Gross Unrelated Business Income (UBI), Tax Year 2006—Continued**

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

| Item  | Size of gross unrelated business income—continued |                             |          |                               |           |                     |           |
|---|---|-----------------------------|----------|-------------------------------|-----------|---------------------|-----------|
|   | \$100,000 under \$500,000                         | \$500,000 under \$1,000,000 |          | \$1,000,000 under \$5,000,000 |           | \$5,000,000 or more |           |
|   | Amount  | Number of returns           | Amount   | Number of returns             | Amount    | Number of returns   | Amount    |
|   | (8)   | (9)                         | (10)     | (11)                          | (12)      | (13)                | (14)      |
| <b>Number of returns</b>  | N/A   | 1,467                       | N/A      | 1,431                         | N/A       | 374                 | N/A       |
| <b>Total deductions</b>   | 1,467,400   | 1,466                       | 961,450  | 1,430                         | 2,767,664 | 373                 | 4,367,418 |
| <b>Organizations with gross unrelated business income (UBI) of \$1,000 under \$10,001 [3]</b> |   |                             |          |                               |           |                     |           |
| <b>Total deductions [2,4]</b>   | N/A   | N/A                         | N/A      | N/A                           | N/A       | N/A                 | N/A       |
| Net operating loss deduction  | N/A   | N/A                         | N/A      | N/A                           | N/A       | N/A                 | N/A       |
| Specific deduction  | N/A   | N/A                         | N/A      | N/A                           | N/A       | N/A                 | N/A       |
| <b>Organizations with gross unrelated business income (UBI) of \$10,001 or more [3]</b>       |   |                             |          |                               |           |                     |           |
| <b>Total deductions [2,5]</b>   | 1,467,400   | 1,466                       | 961,450  | 1,430                         | 2,767,664 | 373                 | 4,367,418 |
| <b>Deductions directly connected with UBI</b>   | 1,376,006   | 1,405                       | 909,656  | 1,369                         | 2,543,773 | 355                 | 3,968,022 |
| Allocable to rental income [6]  | 42,647  | 91                          | 31,706   | 87                            | 62,278    | 30                  | 17,345    |
| Allocable to unrelated debt-financed income [6]   | 109,463   | 143                         | 62,992   | 146                           | 151,336   | 39                  | 157,543   |
| Allocable to investment income [6,7]  | 6,076   | 162                         | 5,262    | 109                           | 14,816    | 11                  | 8,229     |
| Allocable to income from controlled organizations [6]   | 11,544  | 22                          | 6,309    | 53                            | 31,224    | 18                  | 22,886    |
| Allocable to exploited exempt activity income, except advertising [6]                         | 16,106  | 74                          | 24,661   | 91                            | 64,060    | 22                  | 50,401    |
| Direct advertising costs [6]  | 164,474   | 276                         | 106,998  | 325                           | 264,727   | 67                  | 421,375   |
| Compensation of officers, directors, and trustees   | 17,267  | 169                         | 8,163    | 145                           | 11,980    | 48                  | 13,788    |
| Salaries and wages  | 327,326   | 834                         | 208,379  | 788                           | 550,552   | 220                 | 654,677   |
| Repairs and maintenance   | 32,209  | 548                         | 15,169   | 504                           | 35,083    | 143                 | 39,881    |
| Bad debts   | 2,777   | 123                         | 2,557    | 166                           | 14,914    | 65                  | 78,160    |
| Interest  | 19,801  | 262                         | 13,515   | 204                           | 29,404    | 71                  | 34,954    |
| Taxes and licenses paid deduction   | 57,973  | 750                         | 28,679   | 701                           | 46,552    | 210                 | 73,374    |
| Depreciation  | 53,060  | 580                         | 30,455   | 589                           | 77,046    | 179                 | 76,822    |
| Depletion   | * 128   | * 6                         | * 433    | * 5                           | * 760     | * 6                 | * 4,253   |
| Contributions to deferred compensation plans  | 1,824   | 178                         | 1,635    | 126                           | 6,436     | 24                  | 4,753     |
| Contributions to employee benefit programs  | 29,837  | 549                         | 26,030   | 589                           | 118,451   | 180                 | 115,923   |
| Net operating loss deduction  | 40,905  | 212                         | 22,802   | 271                           | 69,864    | 83                  | 152,192   |
| Other deductions  | 442,589   | 1,467                       | 313,909  | 1,431                         | 994,290   | 374                 | 2,041,465 |
| <b>Deductions not directly connected with UBI</b>   | 91,394  | 840                         | 51,794   | 768                           | 223,891   | 221                 | 399,395   |
| Specific deduction  | 2,991   | 697                         | 688      | 602                           | 601       | 169                 | 169       |
| Charitable contributions  | 10,936  | **196                       | **20,634 | 189                           | 21,035    | 96                  | 66,886    |
| Set-asides [7]  | 22,527  | **                          | **       | 50                            | 90,434    | 14                  | 190,218   |
| Excess exempt-activity expenses [8]   | 54,940  | 168                         | 30,473   | 210                           | 111,822   | 55                  | 142,123   |

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

\*\* Data in adjacent size classes are combined to avoid disclosure of information about specific taxpayers.

N/A—Not applicable.

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was \$2.6 billion.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Organizations with gross UBI between \$1,000 (the filing threshold) and \$10,000 were required to report only totals for expenses and deductions (except for the specific deduction and net operating loss deduction, which all organizations reported separately). Organizations with gross UBI over \$10,000 were required to report each expense and deduction item separately, as shown in columns 14 through 45, 48, 49, and 54 through 59.

[4] Excludes \$76.2 million of cost of sales and services reported by organizations with gross UBI of \$10,000 or less. See footnote 1 for explanation.

[5] Excludes \$2.5 billion of cost of sales and services reported by organizations with gross UBI over \$10,000. See footnote 1 for explanation.

[6] This deduction was required to be reported as a lump-sum total only and may have included component deductions that were of the same type shown elsewhere in this table. For example, if deductions "allocable to rental income" included depreciation, then that amount of depreciation would not be included in the separately reported item, "depreciation." Therefore, the total amount shown for some of the separately reported deductions may be understated.

[7] Reported by Internal Revenue Code section 501(c)(7) social and recreational clubs, section 501(c)(9) voluntary employees' beneficiary associations, and section 501(c)(17) supplemental unemployment benefit trusts only. See Table 1 for separate data on each of these organizations.

[8] Includes excess exempt-activity expenses from Form 990-T, Schedule I, and excess readership costs from Form 990-T, Schedule J.

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

# Domestic Private Foundations, Tax Years 2003–2007

by Cynthia Belmonte and Melissa Ludlum

The private foundation segment of the tax-exempt sector experienced modest growth between Tax Years 2003 and 2007.<sup>1</sup> Over this time period, the number of private foundations increased 10.8 percent to 84,613, and the fair market value of total assets held by private foundations increased, in real terms, by 21.7 percent.<sup>2</sup> Private foundations provided approximately \$163.7 billion in contributions, gifts, and grants to charitable initiatives during these tax years.

Foundations are tax-exempt under Internal Revenue Code (IRC) section 501(c)(3). They are required to file the information return, Form 990-PF, *Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation*, annually. The Statistics of Income (SOI) Division conducts an annual study of private foundations based on the information returns filed with the Internal Revenue Service (IRS). The SOI data are estimates based on a sample of Forms 990-PF selected to represent the entire filing population for a given tax year. This article presents data for domestic private foundations—private foundations organized in the United States—for Tax Years 2003 through 2007.

## Tax Definitions and Organizational Structure

Religious, charitable, scientific, educational, and certain other organizations are exempt from federal income tax under IRC section 501(c)(3). Most tax-exempt organizations are hospitals, schools,

churches, and organizations that receive broad support from the general public. Many of these types of tax-exempt organizations file Form 990, *Return of Organization Exempt from Income Tax*, or Form 990-EZ, the short version of this information return.<sup>3</sup> Several characteristics distinguish a private foundation from other types of tax-exempt organizations, including its narrow sphere of support and control. A private foundation may be organized as a corporation, association, or trust. Typically, a private foundation is funded by a small number of private donors. Additionally, control of the private foundation is generally limited to an individual, family, or corporation.

Depending upon the type of charitable support that a private foundation provides, it may be classified as either “nonoperating” or “operating.”<sup>4</sup> A nonoperating foundation supports charitable programs indirectly, providing grants to other charitable organizations, rather than operating programs of its own. In contrast, an operating foundation generally spends its income on direct, active involvement in a tax-exempt, charitable activity, such as operating a library or museum, providing housing or healthcare, or conducting scientific research. In order to qualify as operating, a foundation must meet both an “income test” and one of three other tests: an “assets test,” an “endowment test,” or a “support test.”<sup>5</sup>

Private foundations are typically supported and controlled by an individual, family, or corporation. Because they are not directly accountable to the public, private foundations are subject to greater federal regulation than other tax-exempt organizations. For example, private foundations are prohibited from accumulating net income, and nonoperating foundations are required annually to distribute 5 percent of the net value of their investment assets, after

*Cynthia Belmonte is an economist with the Special Studies Special Projects Section. Melissa Ludlum is Chief of the Special Studies Special Projects Section. This article was prepared under the direction of Barry W. Johnson, Chief.*

<sup>1</sup> A tax year includes all accounting periods beginning in its corresponding calendar year—e.g., Tax Year 2007 includes all accounting periods beginning in Calendar Year 2007 and thus ending between December 2007 and November 2008.

<sup>2</sup> Dollar values were adjusted for inflation using the 2005 chain-type price index for Gross Domestic Product (GDP) as reported by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars and are referred to in this article as “constant dollars” or “real dollars.”

<sup>3</sup> For additional discussion of organizations other than private foundations that are tax-exempt under Internal Revenue Code section 501(c)(3), see Arnsberger, Paul and Mike Graham, “Charities and Other Tax-Exempt Organizations, 2007,” *Statistics of Income Bulletin*, fall 2010.

<sup>4</sup> An organization’s status as a nonoperating or operating foundation was indicated on Form 990-PF, Part VII, line 9.

<sup>5</sup> A foundation could qualify as operating under the income requirement if it spent at least 85 percent of the lesser of its “minimum investment return” or “adjusted net income” on the direct, active conduct of tax-exempt, charitable activities. Adjusted net income represented the amount of income from charitable functions, investment activities, set-asides, unrelated business activities, and short-term capital gains that exceeded the cost incurred in earning the income and was calculated in Part I, Column (c) of Form 990-PF for operating foundations. To meet the assets test, a foundation had to use 65 percent or more of its assets directly for the active conduct of charitable activities. To meet the endowment test, a foundation regularly had to make distributions for the active conduct of charitable activities in an amount not less than two thirds of its “minimum investment return.” To meet the support test, a foundation regularly had to receive substantially all of its support (other than from gross investment income) from the public or from five or more qualifying exempt organizations, and (a) no more than 25 percent of its support (other than from gross investment income) from any one such qualifying exempt organization; and (b) no more than 50 percent of its support from gross investment income. See “Operating Foundations” in the *Explanation of Selected Terms* section for additional information.

# Domestic Private Foundations, Tax Years 2003–2007

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certain adjustments. To report their compliance with these regulations, foundations are required to file Form 990-PF annually. The Tax Reform Act of 1969 (TRA69) established taxes specific to private foundations and was the basis for IRC sections 4940-4945. IRC section 4940 includes an excise tax on “net investment income,” which consists of income received only from investments that are unrelated to a foundation’s charitable purpose. This tax, which is reported annually on Form 990-PF, applies to all nonoperating foundations and to most operating foundations that earn net investment income. IRC sections 4941-4945 outline taxes imposed on foundations that engage in activities that are considered to be contrary to the public interest. IRC section 4941 details taxable acts of “self-dealing,” which are defined as financial transactions with foundation officers, directors, trustees, substantial contributors, or “other disqualified persons.” Additionally, nonoperating foundations that fail to distribute the minimum amount for charitable purposes are subject to an excise tax under IRC section 4942. Excess business holdings, certain high-risk investments, and various prohibited expenditures, such as those made for legislative or political purposes, are taxable under IRC sections 4943-4945. Taxes on the activities de-

scribed in IRC sections 4941-4945 are reported separately on Form 4720, *Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code*, and are not included in this article.<sup>6</sup>

## Tax Years 2003–2007 in Brief

Between Tax Years 2003 and 2007, domestic private foundations grew in both number and size. Figure A includes selected financial data for the 5-year period. Between Tax Years 2003 and 2007, the total number of Forms 990-PF filed by domestic private foundations increased 10.8 percent, from 76,348 to 84,613. Over the same period, the aggregate fair market value of total assets held by these organizations increased 21.7 percent, after adjusting for inflation, to \$652.4 billion for Tax Year 2007. Overall, the aggregate fair market value of total assets showed a 5.1 percent average annual rate of growth throughout the period.

Domestic private foundations experienced strong revenue growth during this period. In real terms, total revenue reported by domestic private foundations nearly doubled in size, from \$54.6 billion for Tax Year 2003 to \$107.3 billion for Tax Year 2007, or 18.5 percent per year, on average.

**Figure A**

## Domestic Private Foundations: Selected Financial Items in Current and Constant Dollars, Tax Years 2003–2007

[Money amounts are in millions of dollars]

| Tax year                      | Number of returns | Fair market value of total assets [1] |                  | Total revenue   |                  | Disbursements for charitable purposes |                  | Contributions, gifts, and grants paid |                  |
|-------------------------------|-------------------|---------------------------------------|------------------|-----------------|------------------|---------------------------------------|------------------|---------------------------------------|------------------|
|                               |                   | Current dollars                       | Constant dollars | Current dollars | Constant dollars | Current dollars                       | Constant dollars | Current dollars                       | Constant dollars |
|                               | (1)               | (2)                                   | (3)              | (4)             | (5)              | (6)                                   | (7)              | (8)                                   | (9)              |
| Tax Year 2003                 | 76,348            | 474,952                               | 536,221          | 48,391          | 54,633           | 31,058                                | 35,065           | 26,667                                | 30,107           |
| Tax Year 2004                 | 76,897            | 509,924                               | 559,896          | 58,668          | 64,417           | 32,125                                | 35,273           | 27,625                                | 30,332           |
| Tax Year 2005                 | 79,535            | 545,938                               | 579,786          | 76,365          | 81,100           | 37,017                                | 39,312           | 31,856                                | 33,831           |
| Tax Year 2006                 | 81,850            | 616,246                               | 634,117          | 94,107          | 96,836           | 40,686                                | 41,866           | 34,932                                | 35,945           |
| Tax Year 2007                 | 84,613            | 652,441                               | 652,441          | 107,304         | 107,304          | 49,177                                | 49,177           | 42,578                                | 42,578           |
| Average annual rate of growth | 2.6               | 8.3                                   | 5.1              | 22.2            | 18.5             | 12.4                                  | 9.0              | 12.6                                  | 9.2              |

[1] The total assets and other investments amounts differ from those previously published for Tax Year 2006. These amounts have been revised to avoid overstating \$29.6 billion in joint assets reported by The Bill and Melinda Gates Foundation and The Bill and Melinda Gates Foundation Trust. This amount, reported as “other investments” by the foundation, represented the foundation’s interest in the Bill and Melinda Gates Foundation Trust.

NOTE: Amounts labeled “constant dollars” have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

<sup>6</sup> Information on excise taxes paid under IRC section 4940 and reported on Form 990-PF, as well as tabulations for excise taxes paid under IRC sections 4941-4945 and reported on Form 4720, are available via the Internet at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html>.

Total disbursements for charitable purposes, which are outlays that private foundations make exclusively in support of their tax-exempt purposes, increased 40.2 percent between Tax Years 2003 and 2007, from \$35.1 billion to \$49.2 billion. Contributions, gifts, and grants were the major component of these types of expenses, accounting for over 85.0 percent of total disbursements for each of the tax years in the period.<sup>7</sup> These distributions increased at a real rate of growth of 9.2 percent per year between Tax Years 2003 and 2007.<sup>8</sup>

## Composition of Filers

Figure B presents financial data for each of Tax Years 2003 through 2007, by asset-size class, for all foundations, and for nonoperating and operating foundations, separately. Foundations were assigned to asset-size classes based on the reported current dollar end-of-year fair market value of total assets for each tax year. A comparison of returns that were included in the sample for 2 consecutive tax years showed that the vast majority of returns remained in the same asset size class for both years. For each of the 5 years in the study period, between 96.6 and 97.8 percent of private foundations remained in the same asset-size class as in the previous Tax Year. The deflator for Gross Domestic Product, as published by the Bureau of Economic Analysis, increased by 12.9 percent over the period, indicating moderate inflation.

Nonoperating foundations conduct the majority of financial activity that is attributable to private foundations. Typically, nonoperating foundations account for over 90.0 percent of Forms 990-PF filed by domestic private foundations, and they hold a similar proportion of the aggregate fair market value of total assets. Nonoperating foundations also earn the majority of total revenue and, because of their legal requirement to make charitable distributions, account for nearly all of the contributions, gifts, and grants reported each year.

The distributions of returns filed, fair market value of total assets held, revenue earned, and disbursements for charitable purposes and contributions, gifts, and grants distributed, by asset size-class, were nearly the same for Tax Year 2007 as for Tax

Year 2003. Large foundations, those holding more than \$50 million in fair market value of total assets, represented 1.8 percent of all returns filed for Tax Year 2007—approximately the same percentage of filings that they represented for Tax Year 2003. The percentage of total returns filed by small foundations, those holding less than \$1 million in fair market value of total assets, decreased each year, from 68.4 percent for Tax Year 2003 to 63.8 percent for Tax Year 2007. This was accompanied by a corresponding increase in returns filed by medium foundations, those holding between \$1 and \$50 million in fair market value of total assets, from 30.1 percent of total returns filed for Tax Year 2003 to 34.4 percent for Tax Year 2007.

The proportion of the aggregate fair market value of total assets held by organizations in each asset-size class for Tax Year 2007 was virtually the same as that reported for Tax Year 2003. Although large organizations filed only 1.7 percent of all domestic private foundation returns, on average, for the period, they held an average of 69.0 percent of the aggregate fair market value of total assets. In contrast, small organizations, which filed two-thirds of all returns, on average, for the period, held less than 3.0 percent of the aggregate fair market value of total assets each year during the 5-year period.

Although small foundations earned only 5.1 percent of total revenue and held an even smaller percentage of the aggregate fair market value of total assets for Tax Year 2007, they made 11.2 percent of disbursements for charitable purposes and 10.0 percent of contributions, gifts, and grants for that year. Large foundations reported earning more than half of the total revenue reported by domestic private foundations for each of Tax Years 2003 through 2007 and reported making more than half the total values of disbursements for charitable purposes and of contributions, gifts, and grants.

## Asset Values and Their Significance

The overall value of assets held by a private foundation, particularly those held for investment purposes, can play a major role in the foundation's ability to make distributions for charitable purposes. For

<sup>7</sup> Disbursements for charitable purposes were reported separately from investment expenses and were required to be calculated as actual disbursements, on a cash basis.

<sup>8</sup> Complete information on Forms 990-PF filed by both private foundations and section 4947(a)(1) nonexempt charitable trusts for Tax Year 2007, as well as additional data for previous tax years, may be accessed via the Internet at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html>.

# Domestic Private Foundations, Tax Years 2003–2007

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**Figure B**

## Domestic Private Foundations: Selected Financial Items, by Asset-Size Class and Operating Status, in Constant Dollars, Tax Years 2003–2007

[Money amounts are in millions of dollars]

| Tax year      | Asset size [1]     | All foundations                       |                                       |                   |                                       |                                       | Nonoperating foundations     |                                       |               |
|---------------|--------------------|---------------------------------------|---------------------------------------|-------------------|---------------------------------------|---------------------------------------|------------------------------|---------------------------------------|---------------|
|               |                    | Number of returns                     | Fair market value of total assets     | Total revenue     | Disbursements for charitable purposes | Contributions, gifts, and grants paid | Number of returns            | Fair market value of total assets     | Total revenue |
|               |                    | (1)                                   | (2)                                   | (3)               | (4)                                   | (5)                                   | (6)                          | (7)                                   | (8)           |
| Tax Year 2003 | <b>Total</b>       | <b>76,348</b>                         | <b>536,221</b>                        | <b>54,633</b>     | <b>35,065</b>                         | <b>30,107</b>                         | <b>70,004</b>                | <b>492,579</b>                        | <b>49,998</b> |
|               | Small foundations  | 52,233                                | 14,139                                | 3,004             | 2,972                                 | 2,463                                 | 47,607                       | 13,168                                | 2,619         |
|               | Medium foundations | 22,982                                | 156,564                               | 20,310            | 12,813                                | 11,140                                | 21,366                       | 145,277                               | 18,330        |
|               | Large foundations  | 1,133                                 | 365,517                               | 31,319            | 19,280                                | 16,503                                | 1,031                        | 334,134                               | 29,049        |
| Tax Year 2004 | <b>Total</b>       | <b>76,897</b>                         | <b>559,896</b>                        | <b>64,417</b>     | <b>35,273</b>                         | <b>30,332</b>                         | <b>70,613</b>                | <b>515,389</b>                        | <b>59,371</b> |
|               | Small foundations  | 51,414                                | 14,076                                | 3,492             | 2,747                                 | 2,061                                 | 46,782                       | 13,133                                | 3,102         |
|               | Medium foundations | 24,250                                | 163,876                               | 24,061            | 12,854                                | 11,328                                | 22,701                       | 152,399                               | 21,877        |
|               | Large foundations  | 1,233                                 | 381,944                               | 36,864            | 19,673                                | 16,943                                | 1,130                        | 349,857                               | 34,391        |
| Tax Year 2005 | <b>Total</b>       | <b>79,535</b>                         | <b>579,786</b>                        | <b>81,100</b>     | <b>39,312</b>                         | <b>33,831</b>                         | <b>72,800</b>                | <b>533,409</b>                        | <b>73,539</b> |
|               | Small foundations  | 52,518                                | 14,050                                | 4,387             | 3,963                                 | 2,951                                 | 47,590                       | 13,051                                | 3,321         |
|               | Medium foundations | 25,683                                | 168,763                               | 29,791            | 14,520                                | 12,857                                | 23,987                       | 157,114                               | 26,666        |
|               | Large foundations  | 1,334                                 | 396,973                               | 46,921            | 20,829                                | 18,023                                | 1,224                        | 363,244                               | 43,551        |
| Tax Year 2006 | <b>Total</b>       | <b>81,850</b>                         | <b>634,117</b>                        | <b>96,836</b>     | <b>41,866</b>                         | <b>35,945</b>                         | <b>74,364</b>                | <b>584,621</b>                        | <b>88,695</b> |
|               | Small foundations  | 52,730                                | 13,791                                | 4,928             | 5,176                                 | 4,048                                 | 47,121                       | 12,682                                | 3,670         |
|               | Medium foundations | 27,613                                | 178,164                               | 32,132            | 14,317                                | 12,606                                | 25,849                       | 165,613                               | 28,846        |
|               | Large foundations  | 1,507                                 | 442,163                               | 59,776            | 22,374                                | 19,291                                | 1,395                        | 406,326                               | 56,180        |
| Tax Year 2007 | <b>Total</b>       | <b>84,613</b>                         | <b>652,441</b>                        | <b>107,304</b>    | <b>49,177</b>                         | <b>42,578</b>                         | <b>77,457</b>                | <b>601,621</b>                        | <b>99,039</b> |
|               | Small foundations  | 53,971                                | 14,077                                | 5,452             | 5,523                                 | 4,256                                 | 48,727                       | 13,030                                | 4,039         |
|               | Medium foundations | 29,085                                | 180,537                               | 34,846            | 16,516                                | 14,496                                | 27,290                       | 167,476                               | 31,325        |
|               | Large foundations  | 1,557                                 | 457,828                               | 67,006            | 27,137                                | 23,826                                | 1,440                        | 421,115                               | 63,675        |
| Tax year      | Asset size [1]     | Nonoperating foundations              |                                       |                   | Operating foundations                 |                                       |                              |                                       |               |
|               |                    | Disbursements for charitable purposes | Contributions, gifts, and grants paid | Number of returns | Fair market value of total assets     | Total revenue                         | Disbursements for charitable | Contributions, gifts, and grants paid |               |
|               |                    | (9)                                   | (10)                                  | (11)              | (12)                                  | (13)                                  | (14)                         | (15)                                  |               |
| Tax Year 2003 | <b>Total</b>       | <b>32,545</b>                         | <b>29,485</b>                         | <b>6,344</b>      | <b>43,642</b>                         | <b>4,636</b>                          | <b>2,520</b>                 | <b>622</b>                            |               |
|               | Small foundations  | 2,715                                 | 2,366                                 | 4,626             | 972                                   | 385                                   | 256                          | 97                                    |               |
|               | Medium foundations | 11,720                                | 10,847                                | 1,616             | 11,287                                | 1,980                                 | 1,093                        | 293                                   |               |
|               | Large foundations  | 18,110                                | 16,272                                | 102               | 31,383                                | 2,270                                 | 1,171                        | 232                                   |               |
| Tax Year 2004 | <b>Total</b>       | <b>32,723</b>                         | <b>29,727</b>                         | <b>6,284</b>      | <b>44,507</b>                         | <b>5,046</b>                          | <b>2,550</b>                 | <b>605</b>                            |               |
|               | Small foundations  | 2,442                                 | 2,002                                 | 4,633             | 943                                   | 390                                   | 305                          | 60                                    |               |
|               | Medium foundations | 11,849                                | 11,082                                | 1,549             | 11,477                                | 2,183                                 | 1,005                        | 247                                   |               |
|               | Large foundations  | 18,432                                | 16,643                                | 103               | 32,087                                | 2,473                                 | 1,241                        | 299                                   |               |
| Tax Year 2005 | <b>Total</b>       | <b>35,389</b>                         | <b>32,544</b>                         | <b>6,734</b>      | <b>46,377</b>                         | <b>7,562</b>                          | <b>3,923</b>                 | <b>1,288</b>                          |               |
|               | Small foundations  | 3,072                                 | 2,834                                 | 4,928             | 999                                   | 1,066                                 | 891                          | 117                                   |               |
|               | Medium foundations | 12,674                                | 11,907                                | 1,696             | 11,648                                | 3,125                                 | 1,846                        | 950                                   |               |
|               | Large foundations  | 19,643                                | 17,803                                | 110               | 33,730                                | 3,370                                 | 1,186                        | 221                                   |               |
| Tax Year 2006 | <b>Total</b>       | <b>37,794</b>                         | <b>34,832</b>                         | <b>7,486</b>      | <b>49,496</b>                         | <b>8,141</b>                          | <b>4,072</b>                 | <b>1,113</b>                          |               |
|               | Small foundations  | 4,143                                 | 3,952                                 | 5,609             | 1,109                                 | 1,259                                 | 1,033                        | 95                                    |               |
|               | Medium foundations | 12,621                                | 11,821                                | 1,765             | 12,551                                | 3,286                                 | 1,696                        | 786                                   |               |
|               | Large foundations  | 21,030                                | 19,059                                | 112               | 35,837                                | 3,596                                 | 1,343                        | 232                                   |               |
| Tax Year 2007 | <b>Total</b>       | <b>44,547</b>                         | <b>41,268</b>                         | <b>7,156</b>      | <b>50,820</b>                         | <b>8,265</b>                          | <b>4,630</b>                 | <b>1,310</b>                          |               |
|               | Small foundations  | 4,411                                 | 4,173                                 | 5,244             | 1,046                                 | 1,413                                 | 1,112                        | 83                                    |               |
|               | Medium foundations | 14,430                                | 13,541                                | 1,796             | 13,061                                | 3,521                                 | 2,087                        | 955                                   |               |
|               | Large foundations  | 25,706                                | 23,554                                | 117               | 36,713                                | 3,331                                 | 1,431                        | 272                                   |               |

[1] Foundations were assigned to asset-size classes based on the reported current dollar end-of-year fair market value of total assets for each tax year. Small foundations are those holding from zero (including unreported) to less than \$1,000,000 in fair market value of total assets. Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets. Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

NOTE: Amounts labeled "constant dollars" have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

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nonoperating foundations, the annual charitable distribution requirement, known as the “distributable amount,” is calculated based on an annual valuation of assets. As a result, fluctuations in asset values can directly affect the grantmaking practices of nonoperating foundations. The distributable amount is derived from a foundation’s minimum investment return, which equals 5 percent of the reported value of its net investment, or “noncharitable-use,” assets. Noncharitable-use assets are those assets held for investment purposes only and may include such items as securities, investments in art, coins or other collectables, and investments in real estate.<sup>9</sup> For purposes of the calculation, noncharitable-use cash and securities are valued based on their average monthly fair market values throughout the tax year. Other noncharitable-use assets are valued annually, although not necessarily at year’s end. The net value of noncharitable-use assets, from which the minimum investment return is derived, equals the value of noncharitable-use assets, less both the indebtedness incurred to acquire these assets and the amount of cash held for charitable activities. This amount differs from the fair market value of total assets, which is calculated based on the end-of-year values of all assets held by private foundations for both charitable- and noncharitable-use. Unlike the net value of noncharitable-use assets, the fair market value of total assets is not reduced for acquisition indebtedness.

Most assets held by nonoperating foundations are held for investment, rather than charitable-use, purposes. Figure C1 illustrates the relationship between the net value of noncharitable-use assets and the aggregate end-of-year fair market value of total assets held by domestic nonoperating private foundations for Tax Years 2003 through 2007. For each of these years, net noncharitable-use assets represented the majority of end-of-year fair market value of total assets. Nonoperating foundations reported an overall real increase of 22.1 percent in the fair market value

of total assets between Tax Years 2003 and 2007. Over the same period, the net value of noncharitable-use assets that were held for investment purposes increased by 29.7 percent.

Income received from investment assets increased significantly between Tax Years 2003 and 2007. Figure C2 shows detailed statistics on noncharitable-use assets and net investment income reported by domestic nonoperating private foundations, in current and constant dollars, for Tax Years 2003 through 2007. Realized net investment income reported by private foundations included net income from capital gains, along with interest, dividends, rents, and royalties, after deductions for expenses incurred in producing the investment income. Real net investment income reported by domestic nonoperating private foundations more than doubled over the 5-year period, rising from \$27.1 billion in 2003 to \$60.0 billion in 2007. This corresponded to an average annual increase of 22.2 percent over the period. The net value of noncharitable-use assets grew at an average annual rate of 6.7 percent between 2003 and 2007.

The “net investment income yield” and “real rates of total return on assets” can provide additional insight into both the realized income from and the overall performance of investment assets. Figure D shows these calculations for domestic nonoperating foundations by *beginning of year* asset-size class, for Tax Years 2003 through 2007. Both the mean and the median, which minimizes the influences of large outliers in the data and may therefore better represent a typical foundation than the mean value, are shown. To better measure investment performance over a given tax year, foundations were classified based on their beginning of year fair market value asset sizes.<sup>10</sup>

The net investment income yield, a measure of the realized investment income that a foundation earns on its investment assets, was calculated by dividing net investment income by the value of noncharitable-use assets for each tax year in the

<sup>9</sup> Conversely, assets used directly to conduct charitable activities, such as office buildings, art held by museums, and computers, are “charitable-use assets.” These assets are excluded from the minimum investment return calculation.

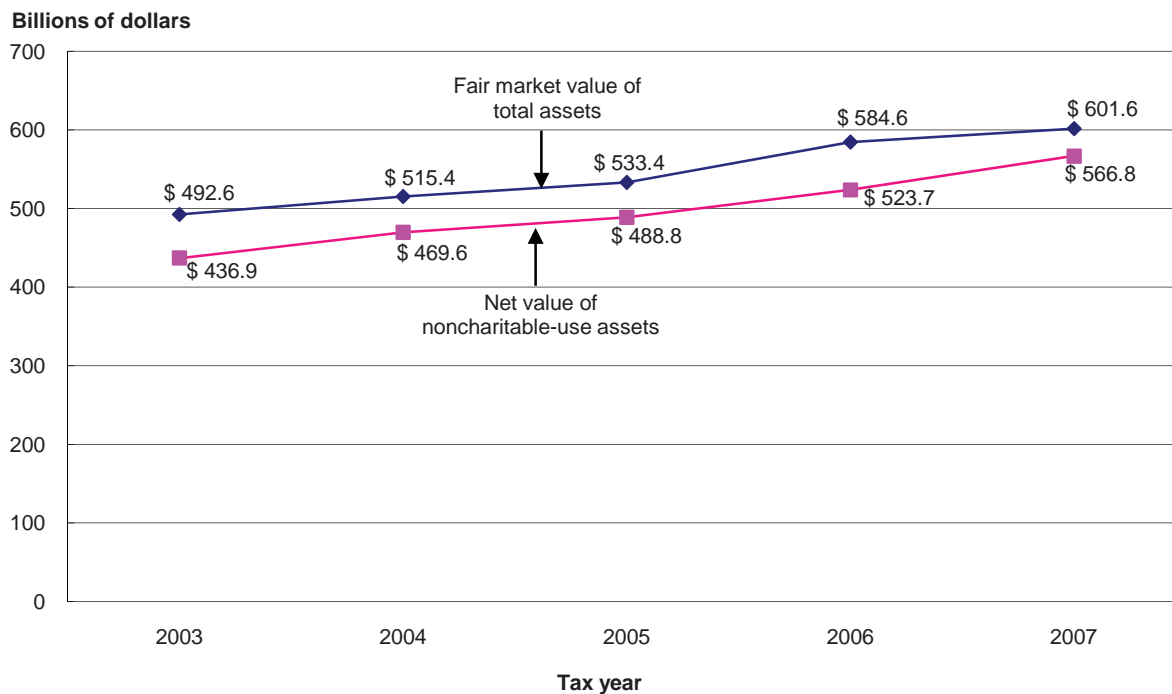
<sup>10</sup> Only data from returns that were included in the sample for 2 consecutive tax years were used in the calculations. For example, the Tax Year 2007 net investment income yield and rate of return on total assets were calculated only for organizations that filed sampled returns for each of Tax Years 2006 and 2007. Thus, approximately 73 percent of returns for nonoperating foundations included in the Tax Year 2003 sample were eligible for this analysis. Eligible returns represented 90 percent, 91 percent, 88 percent, and 91 percent of the Tax Year 2004, Tax Year 2005, Tax Year 2006, and Tax Year 2007 samples, respectively. Because some organizations may have exited the sample in consecutive years due to decreases in their fair market values of total assets, these results may reflect some bias toward organizations with positive investment performance.

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## Figure C1

### Domestic Nonoperating Private Foundations: Fair Market Value of Total Assets and Net Value of Noncharitable-Use Assets, in Constant Dollars, Tax Years 2003–2007



NOTE: Amounts labeled "constant dollars" have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

## Figure C2

### Domestic Nonoperating Private Foundations: Net Value of Noncharitable-Use Assets and Net Investment Income, Current and Constant Dollars, Tax Years 2003–2007

[Money amounts are in millions of dollars]

| Tax year                      | Net value of noncharitable-use assets |                  | Net investment income |                  |
|-------------------------------|---------------------------------------|------------------|-----------------------|------------------|
|                               | Current dollars                       | Constant dollars | Current dollars       | Constant dollars |
|                               | (1)                                   | (2)              | (3)                   | (4)              |
| Tax Year 2003                 | 386,964                               | 436,883          | 24,023                | 27,122           |
| Tax Year 2004                 | 427,732                               | 469,650          | 32,289                | 35,453           |
| Tax Year 2005                 | 460,279                               | 488,816          | 42,148                | 44,761           |
| Tax Year 2006                 | 508,978                               | 523,738          | 51,308                | 52,796           |
| Tax Year 2007                 | 566,771                               | 566,771          | 60,027                | 60,027           |
| Average annual rate of growth | 10.0                                  | 6.7              | 25.9                  | 22.2             |

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**Figure D**

## Domestic Nonoperating Private Foundation Net Investment Income Yields and Real Rates of Total Return on Assets, by Size of Beginning of Year Fair Market Value of Total Assets, Tax Years 2003–2007 [1]

| Tax year      | Asset size [2]     | Net investment income yields (percentages) |             | Real rates of total return (percentages) |             |
|---------------|--------------------|--|-------------|--|-------------|
|               |                    | Median<br>(1)                              | Mean<br>(2) | Median<br>(3)                            | Mean<br>(4) |
| Tax Year 2003 | <b>Total</b>       | <b>3.0</b>                                 | <b>19.9</b> | <b>10.8</b>                              | <b>14.9</b> |
|               | Small foundations  | 2.3  | 24.4        | 8.0                                      | 17.8        |
|               | Medium foundations | 3.4  | 16.5        | 12.2                                     | 12.0        |
|               | Large foundations  | 3.9  | 5.9         | 14.8                                     | 15.0        |
| Tax Year 2004 | <b>Total</b>       | <b>2.9</b>                                 | <b>11.8</b> | <b>3.6</b>                               | <b>8.4</b>  |
|               | Small foundations  | 2.2  | 9.9         | 2.0                                      | 9.7         |
|               | Medium foundations | 4.3  | 14.7        | 5.1                                      | 5.6         |
|               | Large foundations  | 5.9  | 28.4        | 7.3                                      | 7.5         |
| Tax Year 2005 | <b>Total</b>       | <b>3.8</b>                                 | <b>9.3</b>  | <b>1.2</b>                               | <b>15.1</b> |
|               | Small foundations  | 3.0  | 9.6         | 0.4                                      | 21.8        |
|               | Medium foundations | 5.2  | 8.6         | 2.6                                      | 2.9         |
|               | Large foundations  | 7.1  | 11.1        | 4.6                                      | 6.0         |
| Tax Year 2006 | <b>Total</b>       | <b>4.7</b>                                 | <b>15.8</b> | <b>6.4</b>                               | <b>11.5</b> |
|               | Small foundations  | 4.0  | 13.4        | 4.3                                      | 13.1        |
|               | Medium foundations | 6.0  | 20.4        | 8.3                                      | 8.5         |
|               | Large foundations  | 8.0  | 10.5        | 9.9                                      | 10.5        |
| Tax Year 2007 | <b>Total</b>       | <b>5.1</b>                                 | <b>15.7</b> | <b>1.4</b>                               | <b>8.8</b>  |
|               | Small foundations  | 4.3  | 12.5        | 0.8                                      | 14.5        |
|               | Medium foundations | 6.4  | 21.1        | 2.3                                      | -0.1        |
|               | Large foundations  | 8.1  | 11.9        | 3.6                                      | 1.6         |

[1] Only data from returns that were included in the sample for two consecutive tax years were used in the calculations. For example, the Tax Year 2007 net investment income yield and rate of return on total assets were calculated only for organizations that filed sampled returns for each of Tax Years 2006 and 2007. Thus, approximately 73 percent of returns for nonoperating foundations included in the Tax Year 2003 sample were eligible for this analysis. Eligible returns represented 90 percent, 91 percent, 88 percent, and 91 percent of the Tax Year 2004, Tax Year 2005, Tax Year 2006, and Tax Year 2007 samples, respectively. Because some organizations may have exited the sample in consecutive years due to decreases in their fair market values of total assets, these results may reflect some bias toward organizations with positive investment performance.

[2] Foundations were assigned to asset-size classes based on the reported current dollar end-of-year fair market value of total assets for each tax year. Small foundations are those holding from zero (including unreported) to less than \$1,000,000 in fair market value of total assets. Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets. Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

period.<sup>11</sup> Median net investment income yields realized by domestic nonoperating private foundations were between 2.9 and 3.8 percent for Tax Years 2003 through 2005, before improving to 4.7 and 5.1 percent for Tax Years 2006 and 2007. This pattern corresponded to the relatively large overall increases in total net investment income received by domestic nonoperating private foundations, combined with relatively modest growth in the net value of noncharitable-use assets over the 5-year period.

Median realized net investment income yields increased with organization size for each of Tax

Years 2003 through 2007. Median net investment income yields for small foundations were between 2.2 and 4.3 percent for each year in the period, while large foundations realized median net investment income yields between 3.9 and 8.1 percent. Foundations in each of the three size classes reported their highest median net investment income yields for Tax Year 2007.

The real rate-of-total-return formula, which measures the total, inflation-adjusted capital appreciation of a foundation's assets, equals the change in the value of the entire asset base (adjusted for contributions

<sup>11</sup> The net investment income amount used in calculating the net investment income yield was obtained from column (b) of the income statement, found in Part I of Form 990-PF.

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received, grants paid, and certain expenses) divided by the value of the base.<sup>12</sup> Because the real rate of total return on assets measures the realized income from investments and other assets, as well as the unrealized appreciation or depreciation in the fair market value of assets, it provides a more comprehensive measure of total investment performance than the net investment income yield. Median real rates of total return on assets, as reported by nonoperating foundations, illustrate a somewhat different pattern in investment performance for Tax Years 2003 through 2007. Overall, median rates of total return realized by nonoperating foundations declined substantially over the period, falling from 10.8 percent in Tax Year 2003 to just 1.4 percent for Tax Year 2007.

Like net investment income yields, the realized real rates of total return were higher for large foundations than for foundations in other size classes. Median rates of total return followed the same pattern for foundations of all sizes, declining in each consecutive year for Tax Years 2003 through 2005 before improving for Tax Year 2006 and again decreasing substantially for Tax Year 2007.

## Excise Tax on Net Investment Income

The realized income from investments, or net investment income, that is reported by private foundations is subject to an excise tax each year under IRC section 4940. This tax is intended to cover expenses incurred by the IRS in the oversight of private foundation activities and the enforcement of laws governing private foundations' exempt status. Generally, domestic private foundations are taxed at a rate equal to 2 percent of their net investment income.<sup>13</sup> Figure E shows selected information for private foundations that reported excise tax on net investment income for

Tax Years 2003 through 2007. Of the \$28.4 billion in real net investment income reported by all domestic foundations for Tax Year 2003, \$27.9 billion was subject to the excise tax, which totaled \$370 million in real terms. For Tax Year 2007, \$60.8 billion of the \$62.8 billion in net investment income reported by foundations was subject to the excise tax, which totaled \$890 million.

Under IRC section 4940(e), domestic private foundations that are able to demonstrate growth in the rate of their charitable distributions are taxed at a reduced net investment income tax rate of 1 percent. If total Tax Year 2007 qualifying distributions were larger than the total of averaged qualifying distributions made between 2002 and 2006 plus 1 percent of the total amount of current net investment income, a foundation was eligible for the reduced tax rate for Tax Year 2007. For Tax Year 2003, the first year of the 5-year period, of the foundations reporting excise taxes on net investment income, just over half of all foundations qualified for the reduced 1-percent tax rate. For each of the following 4 years, less than 45.0 percent of foundations qualified for the reduced rate. Generally, larger foundations were more likely to qualify for the reduced tax rate than smaller foundations; for example, for Tax Year 2007, some 52.9 percent of large foundations were eligible for the reduced rate, compared to 43.3 percent of small foundations. Despite the lower average tax rates, excise tax on net investment income paid by large foundations accounted for 70.4 percent of total tax liability for Tax Year 2007.

## Qualifying Distributions and Components

“Qualifying distributions” are expenditures made by nonoperating foundations that qualify toward meet-

<sup>12</sup> The rate-of-total-return formula used here is the same as that developed and used by Salamon and Voytek in their studies on foundation assets. See Salamon, Lester M. and Voytek, Kenneth P., *Managing Foundation Assets: An Analysis of Foundation Investment and Payout Procedures and Performance*, Washington, DC: The Council on Foundations, 1989, p. 32. The formula for this calculation is shown below:

$$\begin{aligned} \text{Rate of Total Return} = & \text{[Ending Fair Market Value of Assets - Indexed Beginning Fair Market Value of Assets - Contributions Received} \\ & + \text{Grants Paid} + \text{Operating and Administrative Expenses} + \text{Excise Tax Paid on Net Investment Income}] \\ & \text{DIVIDED BY} \\ & \text{[Indexed Beginning Fair Market Value of Assets + 50 percent of Contributions Received]} \end{aligned}$$

To calculate the rate of total return shown in Figure D, samples of private foundation information returns for consecutive tax years were matched in order to analyze both the beginning and end-of-year fair market value data.

In order to obtain an inflation-adjusted real rate of return, the beginning-of-year fair market value of assets was indexed based on the 2005 chain-type price index for Gross Domestic Product as published by the Bureau of Economic Analysis, using the year corresponding with the latter tax year as the base year. For example, to calculate the 2007 rate of total return, the 2006 ending fair market value of total asset amount was adjusted, using 2007 as the base.

<sup>13</sup> Under IRC section 4948, exempt foreign private foundations are subject to a 4-percent tax on their gross investment income derived from U.S. sources (from line 12, column (b) of the income statement, found in Part I of Form 990-PF). For domestic private foundations, net investment income is income received from investments worldwide.

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**Figure E**

## Domestic Private Foundations Reporting Excise Tax on Investment Income, by Asset-Size Class, in Constant Dollars, Tax Years 2003–2007

[Money amounts are in millions of dollars]

| Tax year      | Asset size [1]     | Number of returns | Percentage of all foundations | Net investment income | Qualifying distributions | Excise tax | Percentage of foundations reporting: |               |
|---------------|--------------------|-------------------|-------------------------------|-----------------------|--------------------------|------------|--------------------------------------|---------------|
|               |                    |                   |                               |                       |                          |            | 1-Percent tax                        | 2-Percent tax |
|               |                    | (1)               | (2)                           | (3)                   | (4)                      | (5)        | (6)                                  | (7)           |
| Tax Year 2003 | <b>Total</b>       | 57,095            | 74.8                          | 27,874                | 33,482                   | 370        | 50.6                                 | 49.4          |
|               | Small foundations  | 34,416            | 65.9                          | 708                   | 2,190                    | 11         | 47.1                                 | 52.9          |
|               | Medium foundations | 21,604            | 94.0                          | 8,202                 | 12,083                   | 118        | 55.6                                 | 44.4          |
|               | Large foundations  | 1,075             | 94.9                          | 18,964                | 19,209                   | 241        | 61.1                                 | 38.9          |
| Tax Year 2004 | <b>Total</b>       | 58,780            | 76.4                          | 35,915                | 34,086                   | 515        | 43.9                                 | 56.1          |
|               | Small foundations  | 34,514            | 67.1                          | 775                   | 1,931                    | 12         | 40.8                                 | 59.2          |
|               | Medium foundations | 23,087            | 95.2                          | 10,300                | 12,647                   | 153        | 48.2                                 | 51.8          |
|               | Large foundations  | 1,179             | 95.6                          | 24,840                | 19,508                   | 350        | 50.0                                 | 50.0          |
| Tax Year 2005 | <b>Total</b>       | 63,519            | 79.9                          | 45,421                | 37,272                   | 663        | 44.7                                 | 55.3          |
|               | Small foundations  | 37,611            | 71.6                          | 947                   | 2,987                    | 14         | 42.8                                 | 57.2          |
|               | Medium foundations | 24,628            | 95.9                          | 12,085                | 13,288                   | 180        | 47.2                                 | 52.8          |
|               | Large foundations  | 1,279             | 95.9                          | 32,389                | 20,997                   | 469        | 51.0                                 | 49.0          |
| Tax Year 2006 | <b>Total</b>       | 65,583            | 80.1                          | 53,621                | 40,064                   | 820        | 44.4                                 | 55.6          |
|               | Small foundations  | 37,575            | 71.3                          | 1,166                 | 3,625                    | 16         | 44.6                                 | 55.4          |
|               | Medium foundations | 26,553            | 96.2                          | 14,433                | 13,773                   | 221        | 43.8                                 | 56.2          |
|               | Large foundations  | 1,455             | 96.5                          | 38,021                | 22,666                   | 582        | 48.4                                 | 51.6          |
| Tax Year 2007 | <b>Total</b>       | 68,686            | 81.2                          | 60,795                | 47,178                   | 890        | 44.8                                 | 55.2          |
|               | Small foundations  | 39,475            | 73.1                          | 1,308                 | 4,104                    | 18         | 43.3                                 | 56.7          |
|               | Medium foundations | 27,709            | 95.3                          | 16,122                | 15,754                   | 244        | 46.4                                 | 53.6          |
|               | Large foundations  | 1,501             | 96.4                          | 43,365                | 27,320                   | 627        | 52.9                                 | 47.1          |

[1] Foundations were assigned to asset-size classes based on the reported current dollar end-of-year fair market value of total assets for each tax year. Small foundations are those holding from zero (including unreported) to less than \$1,000,000 in fair market value of total assets. Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets. Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

NOTE: Amounts labeled "constant dollars" have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

ing their required distributable amounts. Although qualifying distributions generally consist primarily of contributions, gifts, and grants disbursed throughout the year, they may also include operating and administrative expenses related to conducting charitable operations; "set-asides," which are amounts earmarked for future charitable distributions; program-related investments, such as loans to other 501(c)(3) organizations; and amounts paid to acquire buildings, equipment, supplies, or other assets for charitable use. Figure F presents total qualifying distributions disbursed between Tax Years 2003 and 2007, as well as the total value of contributions, gifts, and grants included in these distributions, in current and con-

stant dollars. Contributions, gifts, and grants paid accounted for nearly 90.0 percent of total qualifying distributions for each tax year in the period.

Operating and administrative expenses were the second largest component of qualifying distributions. These amounts represented between 7.2 and 9.1 percent of total disbursements for charitable purposes for Tax Years 2003 through 2007. Components of operating and administrative expenses for each of Tax Years 2003 through 2007 are shown in Figure G.<sup>14</sup> Other employee compensation, including salaries and wages, pension plans and other employee benefits, accounted for the single largest component of operating and administrative expenses for each year, except for

<sup>14</sup> Only those operating and administrative expenses included in qualifying distributions are discussed in this section.

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**Figure F**

## Domestic Nonoperating Private Foundations: Qualifying Distributions and Contributions, Gifts, and Grants Paid, in Current and Constant Dollars, Tax Years 2003–2007

[Money amounts are in millions of dollars]

| Tax year                      | Qualifying distributions |                  | Contributions, gifts, and grants paid |                  | Percentage of qualifying distributions disbursed as contributions, gifts, and grants paid |
|-------------------------------|--------------------------|------------------|---------------------------------------|------------------|---|
|                               | Current dollars          | Constant dollars | Current dollars                       | Constant dollars |   |
|                               | (1)                      | (2)              | (3)                                   | (4)              | (5)   |
| Tax Year 2003                 | 29,811                   | 33,657           | 26,116                                | 29,485           | 87.6  |
| Tax Year 2004                 | 30,493                   | 33,481           | 27,074                                | 29,727           | 88.8  |
| Tax Year 2005                 | 34,263                   | 36,387           | 30,644                                | 32,544           | 89.4  |
| Tax Year 2006                 | 37,635                   | 38,727           | 33,850                                | 34,832           | 89.9  |
| Tax Year 2007                 | 45,575                   | 45,575           | 41,268                                | 41,268           | 90.5  |
| Average annual rate of growth | 11.4                     | 8.1              | 12.3                                  | 9.0              | 0.8   |

NOTE: Amounts labeled "constant dollars" have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

Tax Year 2004, where the proportion of other expenses was slightly larger. Other employee compensation ranged between 25.8 and 28.5 percent of the total operating and administrative expenses reported by domestic nonoperating private foundations for each tax year in the period. After factoring in compensation paid to officers, directors, and trustees, the percentage of expenses attributable to total employee compensation ranged from 38.7 to 43.3 percent of total operating and administrative expenses for each tax year. The other expense category experienced the largest change, dropping from 25.2 percent of total operating and administrative expenditures for Tax Year 2003 to 19.3 percent for Tax Year 2007.<sup>15</sup>

### Payout Rates

Nonoperating foundations may combine current-year qualifying distributions with excess amounts that were carried over from previous tax years in order to meet the current-year distributable amount. Excess qualifying distributions can be carried-over for 5 consecutive tax years. These carryovers, along with current-year qualifying distributions, are adjusted to include certain taxes and deductions and are then

divided by the total value of noncharitable-use assets to arrive at a foundation's "payout rate."<sup>16</sup> This rate provides a measure of a foundation's success in meeting the annual required distributable amount. Median payout rates for domestic nonoperating foundations by asset-size class, as well as the percentage distributions of payout rate ranges among the various asset-size-classes, are displayed in Figure H.

Median payout rates, which may be reflective of the activities of typical foundations, were notably consistent for Tax Years 2003 through 2007. Generally, median payout rates for medium and large foundations were at or around the required 5 percent. Median payout rates for small foundations were somewhat higher than for their larger counterparts, between 5.8 and 6.7 percent for each tax year.

As foundation size increased, the percentage of nonoperating foundations that exceeded the 5-percent payout requirement generally decreased. Approximately half of small foundations reported payout rates of 6.5 percent or more for each of Tax Years 2003 through 2007. In contrast, between 24.0 and 28.0 percent of large foundations reported payout rates of 6.5 percent or higher throughout the period.

<sup>15</sup> Additional time-series data, including both current and constant dollar amounts for operating and administrative expenses, qualifying distributions, and distributable amounts, may be accessed via the Internet at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html>.

<sup>16</sup> The payout rate was calculated by dividing the amount of (adjusted) qualifying distributions by the value of noncharitable-use assets. This payout formula is as follows:

$$\text{Payout Rate} = \frac{\text{Qualifying Distributions (Part XII, line 4)} + \text{Taxes (Part XI, line 2c)} - \text{Recoveries of Amounts Treated as Qualifying Distributions (Part XI, Line 4)} + \text{Deduction from Distributable amount (Part XI, Line 6)} + \text{Excess Distributions Applied (Part XIII, Col. A, Line 5)}}{\text{Net value of Noncharitable-use Assets (Part X, Line 5)}}$$

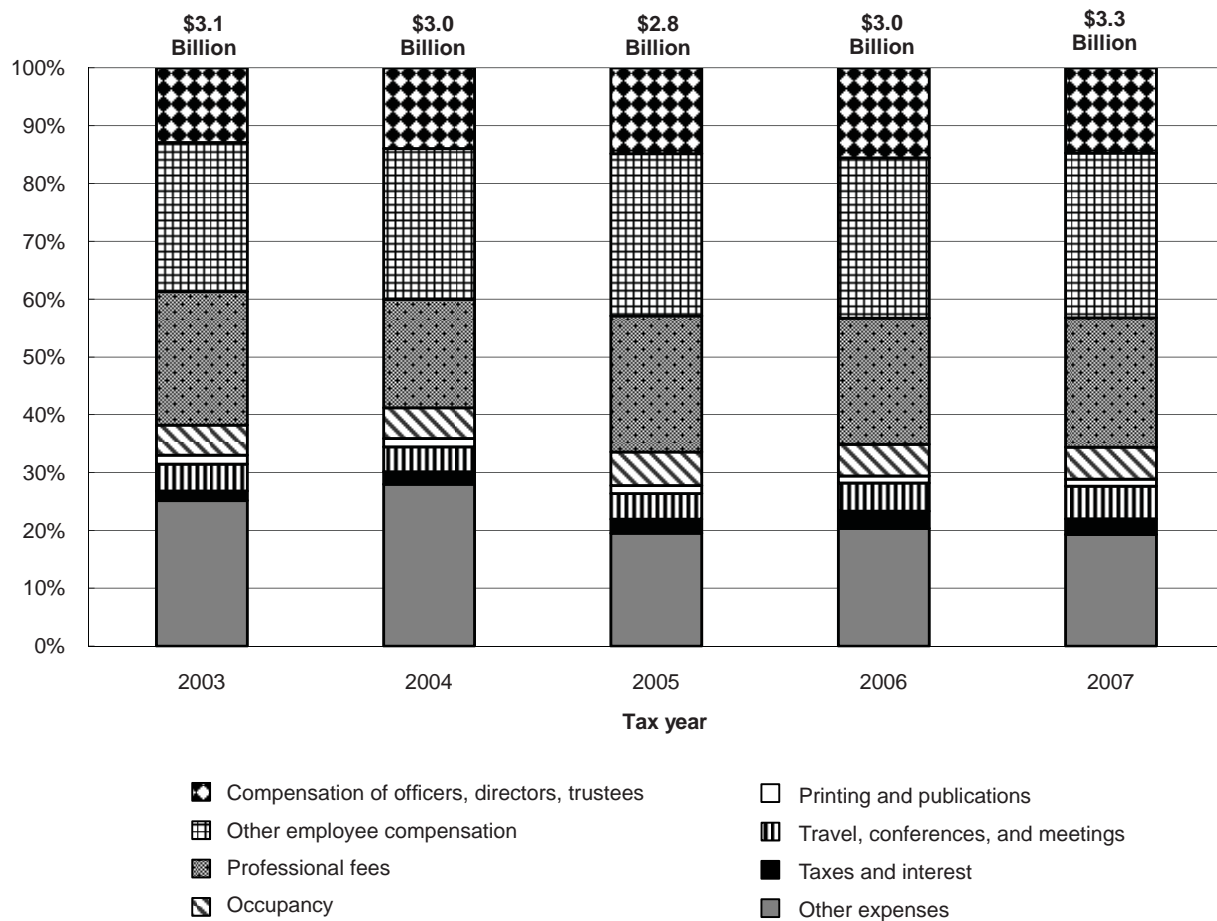
DIVIDED BY  
Net value of Noncharitable-use Assets (Part X, Line 5)

# Domestic Private Foundations, Tax Years 2003–2007

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**Figure G**

## Domestic Nonoperating Private Foundations: Components of Operating and Administrative Expenses, Tax Years 2003–2007



NOTE: The total amount of operating and administrative expenses are in constant dollars. These amounts have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

### Summary

Tax Years 2003 through 2007 represented a period of both growth and consistency for private foundations. By the end of the period, the aggregate fair market value of total assets held by private foundations had grown, in real terms, by 21.7 percent, while disbursements for charitable purposes made by these organizations increased, in real terms, by 40.2 percent. The number of private foundations that filed Form 990-PF increased 10.8 percent between Tax Years 2003 and 2007.

While foundations disbursed a larger amount of charitable dollars for Tax Year 2007 than they did for Tax Year 2003, the components of disbursements for charitable purposes were remarkably consistent throughout the period. Nearly 90 percent of qualifying distributions were made in the form of contributions, gifts, and grants for every year in the 5-year period. The percentage of disbursements for charitable purposes directed toward operating and administrative expenses was consistently between 7.2 and 9.1 percent throughout the period. Additionally,

# Domestic Private Foundations, Tax Years 2003–2007

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## Figure H

**Domestic Nonoperating Private Foundations: Median Payout Rates and Selected Percentages, by Asset-Size Class, Tax Years 2003–2007**

| Asset size, item [1]   | Tax Year 2003 | Tax Year 2004 | Tax Year 2005 | Tax Year 2006 | Tax Year 2007 |
|--|---------------|---------------|---------------|---------------|---------------|
|  | (1)           | (2)           | (3)           | (4)           | (5)           |
| <b>All foundations:</b>  |               |               |               |               |               |
| <b>Median payout rate (percentage)</b>                               | <b>5.9</b>    | <b>5.4</b>    | <b>5.6</b>    | <b>5.6</b>    | <b>5.7</b>    |
| Percentage of foundations with payout rates of less than 0.2 percent | 3.3           | 4.9           | 4.7           | 3.7           | 4.2           |
| 0.2 percent under 3.3 percent  | 5.7           | 5.4           | 5.7           | 6.1           | 5.4           |
| 3.3 percent under 4.8 percent  | 10.6          | 13.8          | 10.9          | 10.6          | 11.2          |
| 4.8 percent under 5.0 percent  | 8.5           | 11.0          | 9.8           | 10.5          | 8.1           |
| 5.0 percent or more  | 71.9          | 64.8          | 68.8          | 69.0          | 71.1          |
| 5.0 percent under 6.5 percent  | 27.4          | 24.4          | 26.2          | 27.2          | 27.9          |
| 6.5 percent under 13.0 percent                                       | 15.9          | 15.3          | 15.0          | 16.7          | 16.3          |
| 13.0 percent under 75.0 percent                                      | 17.1          | 15.0          | 15.8          | 15.3          | 15.7          |
| 75.0 percent under 200.0 percent                                     | 4.8           | 5.1           | 5.1           | 5.2           | 4.7           |
| 200.0 percent or more  | 6.7           | 5.0           | 6.8           | 4.7           | 6.6           |
| <b>Small foundations:</b>  |               |               |               |               |               |
| <b>Median payout rate (percentage)</b>                               | <b>6.7</b>    | <b>5.8</b>    | <b>6.2</b>    | <b>6.3</b>    | <b>6.6</b>    |
| Percentage of foundations with payout rates of less than 0.2 percent | 4.5           | 6.7           | 6.3           | 4.7           | 5.8           |
| 0.2 percent under 3.3 percent  | 5.4           | 5.6           | 5.5           | 6.2           | 5.0           |
| 3.3 percent under 4.8 percent  | 8.8           | 11.4          | 8.2           | 7.0           | 7.7           |
| 4.8 percent under 5.0 percent  | 7.8           | 10.5          | 8.7           | 9.5           | 6.6           |
| 5.0 percent or more  | 73.5          | 65.8          | 71.2          | 72.6          | 74.9          |
| 5.0 percent under 6.5 percent  | 22.9          | 20.4          | 22.4          | 23.8          | 24.4          |
| 6.5 percent under 13.0 percent                                       | 14.1          | 13.7          | 13.1          | 15.7          | 15.4          |
| 13.0 percent under 75.0 percent                                      | 20.4          | 17.5          | 18.6          | 18.2          | 18.4          |
| 75.0 percent under 200.0 percent                                     | 6.5           | 6.8           | 7.0           | 7.6           | 6.8           |
| 200.0 percent or more  | 9.6           | 7.4           | 10.1          | 7.2           | 10.0          |
| <b>Medium foundations:</b>   |               |               |               |               |               |
| <b>Median payout rate (percentage)</b>                               | <b>5.4</b>    | <b>5.2</b>    | <b>5.2</b>    | <b>5.2</b>    | <b>5.2</b>    |
| Percentage of foundations with payout rates of less than 0.2 percent | 0.9           | 1.6           | 1.8           | 2.2           | 1.4           |
| 0.2 percent under 3.3 percent  | 6.4           | 5.2           | 6.3           | 6.1           | 6.2           |
| 3.3 percent under 4.8 percent  | 14.4          | 18.3          | 15.8          | 16.2          | 16.9          |
| 4.8 percent under 5.0 percent  | 9.8           | 12.0          | 11.8          | 12.3          | 10.7          |
| 5.0 percent or more  | 68.4          | 62.9          | 64.4          | 63.2          | 64.8          |
| 5.0 percent under 6.5 percent  | 36.4          | 31.5          | 32.9          | 32.3          | 33.4          |
| 6.5 percent under 13.0 percent                                       | 19.6          | 18.4          | 18.5          | 18.4          | 17.8          |
| 13.0 percent under 75.0 percent                                      | 10.4          | 10.5          | 10.7          | 10.7          | 11.3          |
| 75.0 percent under 200.0 percent                                     | 1.3           | 1.8           | 1.5           | 1.2           | 1.3           |
| 200.0 percent or more  | 0.7           | 0.6           | 0.9           | 0.6           | 0.9           |
| <b>Large foundations:</b>  |               |               |               |               |               |
| <b>Median payout rate (percentage)</b>                               | <b>5.3</b>    | <b>5.1</b>    | <b>5.2</b>    | <b>5.2</b>    | <b>5.3</b>    |
| Percentage of foundations with payout rates of less than 0.2 percent | 0.4           | 0.4           | 0.6           | 0.7           | 0.8           |
| 0.2 percent under 3.3 percent  | 3.6           | 3.3           | 2.5           | 3.7           | 4.3           |
| 3.3 percent under 4.8 percent  | 13.2          | 21.4          | 18.0          | 20.1          | 18.7          |
| 4.8 percent under 5.0 percent  | 11.9          | 11.8          | 13.3          | 11.2          | 9.7           |
| 5.0 percent or more  | 70.9          | 63.2          | 65.6          | 64.3          | 66.5          |
| 5.0 percent under 6.5 percent  | 43.7          | 39.1          | 38.7          | 37.2          | 38.6          |
| 6.5 percent under 13.0 percent                                       | 18.7          | 15.2          | 16.6          | 17.7          | 18.2          |
| 13.0 percent under 75.0 percent                                      | 7.5           | 8.0           | 9.1           | 8.4           | 8.8           |
| 75.0 percent under 200.0 percent                                     | 0.8           | 0.4           | 1.1           | 0.4           | 0.9           |
| 200.0 percent or more  | 0.2           | 0.4           | 0.2           | 0.5           | 0.1           |

[1] Foundations were assigned to asset-size classes based on the reported current dollar end-of-year fair market value of total assets for each tax year. Small foundations are those holding from zero (including unreported) to less than \$1,000,000 in fair market value of total assets. Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets. Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

median payout rates were between 5.4 and 5.9 percent for all of Tax Years 2003 through 2007, although median payout rates were generally higher for small foundations than for their larger counterparts. Although the components of total operating and administrative expenses were similar for the years between Tax Year 2003 and 2007, other expenses decreased in proportion to total operating and administrative expenses over the period.

### Data Sources and Limitations

The statistics for Tax Year 2007 that are presented in this article are based on a sample of Tax Year 2007 Forms 990-PF that were filed with the Internal Revenue Service. Organizations having accounting periods beginning in 2007 (and therefore ending between December 2007 and November 2008) that filed returns in Calendar Years 2008 and 2009 that posted to the IRS Business Master File during those years were included in the sample. Some part-year returns were included in the samples for organizations that changed their accounting periods, or filed initial or final returns. Some 72 percent of the domestic private foundations in the sample had accounting periods covering Calendar Year 2007 or, in some cases, part-year periods that ended in December 2007.

The Tax Year 2007 sample was stratified based on both the size of fair market value of total assets and the type of organization (either a private foundation or an IRC section 4947(a)(1) charitable trust). To accomplish this, 100 percent of returns filed for foundations with fair market asset value of \$10 million or more were included in the samples, since these organizations represented the vast majority of financial activity. Close to 8 percent of all foundations reported \$10 million or more in fair market value of total assets for 2007 and were selected at a rate of 100 percent. The remaining foundation population was randomly selected for the sample at various rates of less than 100 percent depending on asset size. The realized sampling rates for each asset-size category are included in Figure I. Figure J shows the magnitude of sampling error for selected items for Tax Year 2007, measured by coefficients of variation.

Efforts were made to verify that organizations that were selected for the sample were properly classified as foundations or trusts. The relatively few foundations in the sample that were incorrectly selected as trusts were ultimately treated as foundations for these statistics. However, the weights used

**Figure I**

### Realized Sampling Rates for Private Foundation Returns, Tax Year 2007

| End-of-year fair market value<br>of total assets | Realized sampling<br>rate (percentage) |
|--|--|
| Less than \$125,000                              | 1.0                                    |
| \$125,000 under \$400,000                        | 1.9                                    |
| \$400,000 under \$1,000,000                      | 2.1                                    |
| \$1,000,000 under \$2,500,000                    | 6.7                                    |
| \$2,500,000 under \$10,000,000                   | 9.9                                    |
| \$10,000,000 or more                             | 100.0                                  |

for these organizations were based on the original sample selection classification.

For Tax Year 2007, there were 9,407 foundation returns in the sample selected from a population of 87,655. The difference between the actual population of Forms 990-PF records that posted to the IRS Business Master File during 2008 and 2009 and the estimated population of domestic foundation returns as published in this article results from sample code changes and the effects of returns that were “rejected” from the sample as part of the editing process. For example, foreign returns and duplicate filings by a single organization were included in the actual population of Forms 990-PF filed but were rejected from the SOI sample. Returns for each of the Tax Year 2003 through 2006 studies were sampled, selected, and processed in a similar manner. Sample and population counts for each of these additional tax years are available via the Internet at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=212357,00.html>.

The data presented were obtained from returns as originally filed with IRS. In most cases, changes made to the original return because of administrative processing, audit procedures, or a taxpayer amendment were not captured in the statistics. The data were subject to comprehensive testing and correction procedures in order to ensure statistical reliability and validity. A general discussion of the reliability of estimates based on samples, methods for evaluating both the magnitude of sampling and non-sampling error, and the precision of sample estimates can be found in the general Appendix to this issue of the *SOI Bulletin*, or at <http://www.irs.gov/pub/irs-soi/sampling.pdf>.

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**Figure J**

## Coefficients of Variation for Domestic Private Foundations, Selected Income Statement and Balance Sheet Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2007

| Item  | Total       | Asset size                |                     |                             |                                |                                 |                                 |                                  |                       |
|---|-------------|---------------------------|---------------------|-----------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------|
|   |             | Assets zero or unreported | \$1 under \$100,000 | \$100,000 under \$1,000,000 | \$1,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 or more |
|   |             | (1)                       | (2)                 | (3)                         | (4)                            | (5)                             | (6)                             | (7)                              | (8)                   |
| <b>Number of returns</b>  | <b>0.00</b> | <b>19.87</b>              | <b>3.18</b>         | <b>1.68</b>                 | <b>0.62</b>                    | <b>n/a</b>                      | <b>n/a</b>                      | <b>n/a</b>                       | <b>n/a</b>            |
| <b>Total revenue</b>  | <b>0.95</b> | <b>48.64</b>              | <b>49.37</b>        | <b>10.77</b>                | <b>3.72</b>                    | <b>n/a</b>                      | <b>n/a</b>                      | <b>n/a</b>                       | <b>n/a</b>            |
| Contributions, gifts, and grants received   | 2.03        | 60.57                     | 52.02               | 15.42                       | 6.10                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Interest on savings and temporary cash investments                                | 0.76        | 70.82                     | 17.13               | 8.24                        | 5.00                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Dividends and interest from securities  | 0.66        | 78.57                     | 14.52               | 4.18                        | 2.88                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Gross rents and royalties   | 4.23        | * 0.00                    | 99.49               | 46.60                       | 26.49                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Net gain (less loss) from sales of assets   | 0.59        | 86.04                     | 61.32               | 13.40                       | 4.91                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Gross profit (less loss) from business activities                                 | 23.00       | * 0.00                    | 83.21               | 97.78                       | 1.16                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Other income  | 3.98        | 99.07                     | [1] 54.46           | 41.67                       | 24.93                          | n/a                             | n/a                             | n/a                              | n/a                   |
| <b>Total expenses</b>   | <b>2.74</b> | <b>71.31</b>              | <b>44.44</b>        | <b>13.76</b>                | <b>5.72</b>                    | <b>n/a</b>                      | <b>n/a</b>                      | <b>n/a</b>                       | <b>n/a</b>            |
| Contributions, gifts, and grants paid   | 3.07        | 71.61                     | 21.16               | 16.92                       | 5.84                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Compensation of officers  | 3.80        | 67.59                     | 42.04               | 23.47                       | 6.40                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Other salaries and wages  | 7.11        | * 0.00                    | 61.54               | 41.48                       | 33.78                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Pension plans and employee benefits   | 4.39        | * 0.00                    | 57.84               | 45.53                       | 38.02                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Legal fees  | 3.84        | 46.26                     | 28.00               | 15.99                       | 13.30                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Accounting fees   | 4.62        | 56.99                     | 22.24               | 21.23                       | 3.93                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Other professional fees   | 3.08        | 68.21                     | 50.12               | 25.36                       | 15.80                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Interest  | 2.66        | * 0.00                    | 57.37               | 68.37                       | 21.96                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Taxes   | 1.23        | 79.09                     | 36.33               | 16.71                       | 8.88                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Depreciation and depletion  | 1.87        | * 0.00                    | 30.94               | 29.36                       | 13.32                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Occupancy   | 4.57        | 99.49                     | 37.97               | 32.72                       | 18.68                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Travel, conferences, and meetings   | 9.20        | 95.60                     | 52.74               | 38.61                       | 21.60                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Printing and publications   | 6.61        | 80.48                     | 73.30               | 41.13                       | 22.34                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Other expenses  | 22.38       | 54.12                     | 90.00               | 21.23                       | 11.86                          | n/a                             | n/a                             | n/a                              | n/a                   |
| <b>Excess of revenue (less loss) over expenses</b>                                | <b>2.76</b> | <b>80.86</b>              | <b>47.20</b>        | <b>20.62</b>                | <b>7.83</b>                    | <b>n/a</b>                      | <b>n/a</b>                      | <b>n/a</b>                       | <b>n/a</b>            |
| Excess of revenue   | 0.74        | 99.49                     | 22.34               | 9.78                        | 4.55                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Loss  | 11.86       | 80.86                     | 28.71               | 14.25                       | 12.45                          | n/a                             | n/a                             | n/a                              | n/a                   |
| <b>Total assets (fair market value)</b>   | <b>0.12</b> | <b>* 0.00</b>             | <b>7.36</b>         | <b>1.74</b>                 | <b>0.95</b>                    | <b>n/a</b>                      | <b>n/a</b>                      | <b>n/a</b>                       | <b>n/a</b>            |
| Cash (non-interest bearing accounts)  | 3.50        | * 0.00                    | 16.34               | 12.16                       | 10.05                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Savings and temporary cash investments  | 0.83        | * 0.00                    | 14.69               | 7.18                        | 4.04                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Accounts receivable, net  | 4.39        | * 0.00                    | 76.51               | 49.25                       | 40.43                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Pledges receivable, net   | 6.21        | * 0.00                    | 99.49               | 80.40                       | 41.04                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Grants receivable   | 5.93        | * 0.00                    | * 0.00              | 46.93                       | 53.68                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Receivables due from disqualified persons   | 38.75       | * 0.00                    | 84.70               | 53.58                       | 83.19                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Other notes and loans receivable  | 3.19        | * 0.00                    | 88.70               | 37.71                       | 16.29                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Inventories   | 35.70       | * 0.00                    | 81.23               | 76.86                       | 67.92                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Prepaid expenses and deferred charges   | 2.69        | * 0.00                    | 83.65               | 78.92                       | 16.78                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Investments, total (non-cash)   | 0.16        | * 0.00                    | 13.26               | 3.00                        | 1.25                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Securities, total   | 0.21        | * 0.00                    | 14.73               | 3.61                        | 1.56                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Government obligations  | 0.68        | * 0.00                    | 43.65               | 15.09                       | 5.68                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Corporate stock   | 0.24        | * 0.00                    | 16.17               | 4.05                        | 1.77                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Corporate bonds   | 0.71        | * 0.00                    | 34.16               | 11.74                       | 4.55                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Land, buildings, and equipment (less accumulated depreciation)                    | 1.66        | * 0.00                    | 64.71               | 38.37                       | 14.69                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Mortgage loans  | 9.70        | * 0.00                    | 99.49               | 82.93                       | 35.62                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Other investments   | 0.34        | * 0.00                    | 27.53               | 11.46                       | 5.51                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Charitable-purpose land, buildings, and equipment (less accumulated depreciation) | 1.30        | * 0.00                    | 39.42               | 28.01                       | 11.12                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Other assets  | 1.59        | * 0.00                    | 84.87               | 42.84                       | 19.45                          | n/a                             | n/a                             | n/a                              | n/a                   |
| <b>Total assets (book value)</b>  | <b>0.14</b> | <b>* 0.00</b>             | <b>7.38</b>         | <b>2.10</b>                 | <b>1.10</b>                    | <b>n/a</b>                      | <b>n/a</b>                      | <b>n/a</b>                       | <b>n/a</b>            |

Footnotes at end of figure.

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**Figure J—Continued**

## Coefficients of Variation for Domestic Private Foundations, Selected Income Statement and Balance Sheet Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2007—Continued

| Item  | Total       | Asset size                |                     |                             |                                |                                 |                                 |                                  |                       |
|---|-------------|---------------------------|---------------------|-----------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------|
|   |             | Assets zero or unreported | \$1 under \$100,000 | \$100,000 under \$1,000,000 | \$1,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 or more |
|   | (1)         | (2)                       | (3)                 | (4)                         | (5)                            | (6)                             | (7)                             | (8)                              | (9)                   |
| Cash (non-interest bearing accounts)  | 3.49        | * 0.00                    | 16.34               | 12.10                       | 10.06                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Savings and temporary cash investments  | 0.83        | * 0.00                    | 14.70               | 7.19                        | 4.02                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Accounts receivable, net  | 4.39        | * 0.00                    | 76.51               | 49.25                       | 40.38                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Pledges receivable, net   | 6.21        | * 0.00                    | 99.49               | 80.40                       | 41.03                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Grants receivable   | 5.65        | * 0.00                    | * 0.00              | 45.94                       | 53.42                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Receivables due from disqualified persons   | 38.74       | * 0.00                    | 84.70               | 53.58                       | 83.19                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Other notes and loans receivable  | 3.25        | * 0.00                    | 88.70               | 39.66                       | 16.29                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Inventories   | 36.74       | * 0.00                    | 81.24               | 76.86                       | 68.25                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Prepaid expenses and deferred charges   | 2.68        | * 0.00                    | 83.65               | 78.92                       | 16.79                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Investments, total (non-cash)   | 0.18        | * 0.00                    | 13.45               | 3.36                        | 1.40                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Securities, total   | 0.23        | * 0.00                    | 14.97               | 3.96                        | 1.70                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Government obligations  | 0.68        | * 0.00                    | 44.45               | 15.66                       | 5.71                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Corporate stock   | 0.26        | * 0.00                    | 16.69               | 4.50                        | 1.97                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Corporate bonds   | 0.71        | * 0.00                    | 34.39               | 11.62                       | 4.57                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Land, buildings, and equipment (less accumulated depreciation)                    | 1.76        | * 0.00                    | 65.27               | 40.64                       | 15.58                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Mortgage loans  | 9.48        | * 0.00                    | 99.49               | 82.65                       | 35.59                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Other investments   | 0.35        | * 0.00                    | 27.79               | 11.59                       | 5.62                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Charitable-purpose land, buildings, and equipment (less accumulated depreciation) | 1.40        | * 0.00                    | 39.59               | 29.33                       | 11.99                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Other assets  | 1.59        | * 0.00                    | 65.72               | 39.84                       | 19.79                          | n/a                             | n/a                             | n/a                              | n/a                   |
| <b>Total liabilities (book value)</b>   | <b>1.34</b> | <b>99.49</b>              | <b>86.85</b>        | <b>29.32</b>                | <b>18.49</b>                   | <b>n/a</b>                      | <b>n/a</b>                      | <b>n/a</b>                       | <b>n/a</b>            |
| <b>Net worth (book value)</b>   | <b>0.15</b> | <b>99.49</b>              | <b>37.90</b>        | <b>2.18</b>                 | <b>1.18</b>                    | <b>n/a</b>                      | <b>n/a</b>                      | <b>n/a</b>                       | <b>n/a</b>            |
| <b>Total assets, beginning-of-year (book value)</b>                               | <b>0.29</b> | <b>80.42</b>              | <b>11.11</b>        | <b>2.59</b>                 | <b>1.55</b>                    | <b>n/a</b>                      | <b>n/a</b>                      | <b>n/a</b>                       | <b>n/a</b>            |
| Cash (non-interest bearing accounts)  | 3.11        | 79.55                     | 17.77               | 12.80                       | 9.63                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Savings and temporary cash investments  | 1.33        | 92.93                     | 20.26               | 8.26                        | 4.97                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Accounts receivable, net  | 4.84        | 99.49                     | 81.49               | 60.27                       | 42.18                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Pledges receivable, net   | 3.88        | * 0.00                    | 89.08               | 92.54                       | 40.80                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Grants receivable   | 6.96        | * 0.00                    | * 0.00              | 58.19                       | 75.67                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Receivables due from disqualified persons   | 44.73       | * 0.00                    | 79.39               | 69.98                       | 81.32                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Other notes and loans receivable  | 4.56        | * 0.00                    | 99.49               | 35.50                       | 17.67                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Inventories   | 36.74       | * 0.00                    | 93.63               | 74.47                       | 63.00                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Prepaid expenses and deferred charges   | 5.54        | * 0.00                    | 58.74               | 62.50                       | 25.96                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Investments, total (non-cash)   | 0.29        | 80.39                     | 18.91               | 3.71                        | 1.79                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Securities, total   | 0.34        | 87.95                     | 16.16               | 4.30                        | 1.97                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Government obligations  | 2.19        | 98.82                     | 39.78               | 14.26                       | 5.80                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Corporate stock   | 0.29        | 59.72                     | 17.56               | 4.86                        | 2.31                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Corporate bonds   | 0.72        | 99.49                     | 30.35               | 12.26                       | 4.54                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Land, buildings, and equipment (less accumulated depreciation)                    | 2.34        | 99.49                     | 73.23               | 35.40                       | 15.64                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Mortgage loans  | 9.49        | * 0.00                    | 99.49               | 62.79                       | 37.46                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Other investments   | 0.44        | 94.13                     | 52.00               | 11.75                       | 6.20                           | n/a                             | n/a                             | n/a                              | n/a                   |
| Charitable-purpose land, buildings, and equipment (less accumulated depreciation) | 1.56        | * 0.00                    | 43.24               | 29.19                       | 12.64                          | n/a                             | n/a                             | n/a                              | n/a                   |
| Other assets  | 1.04        | 98.29                     | 52.80               | 42.34                       | 17.83                          | n/a                             | n/a                             | n/a                              | n/a                   |
| <b>Total liabilities, beginning-of-year (book value)</b>                          | <b>1.08</b> | <b>95.44</b>              | <b>90.51</b>        | <b>29.60</b>                | <b>15.56</b>                   | <b>n/a</b>                      | <b>n/a</b>                      | <b>n/a</b>                       | <b>n/a</b>            |
| <b>Net worth, beginning-of-year (book value) [2]</b>                              | <b>0.29</b> | <b>80.44</b>              | <b>29.82</b>        | <b>2.65</b>                 | <b>1.58</b>                    | <b>n/a</b>                      | <b>n/a</b>                      | <b>n/a</b>                       | <b>n/a</b>            |

\* No money amount reported.

[1] Excludes 1 sampled return that reported a negative other income amount. In the weighted estimates, this represented 98 returns with other income totaling -\$49 million. The coefficient of variation for the sample estimate of this negative other income amount is 99.49. The coefficient of variation for the sample estimate of total other income is 20,454.02.

NOTE: Coefficients of variation for selected items from each of the Tax Year 2003 through 2006 studies are available via the Internet at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html>.

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### Explanation of Selected Terms

The following explanations describe terms as they applied to private foundations:

*Disbursements for Charitable Purposes*—These disbursements are outlays made exclusively in support of a foundation’s tax-exempt purpose and include grants paid and operating and administrative expenses. They were the largest component of “qualifying distributions” for Tax Year 2007. The total of disbursements for charitable purposes was reported on Form 990 PF, Part I, line 26, column (d).

*Disqualified Person*—In general, a disqualified person is a substantial contributor; a foundation manager; a person who owns more than 20 percent of a corporation, partnership, trust, or unincorporated enterprise that is itself a substantial contributor; or a family member of a disqualified person.

*Distributable (Payout) Amount*—This is the minimum payout amount that is required to be distributed by nonoperating foundations by the end of the tax year that follows the tax year for which the return was filed. For example, foundations were required to distribute their Tax Year 2007 amounts before the end of Tax Year 2008. The distributable amount equals 5 percent of the net value of noncharitable-use assets, called the “minimum investment return,” minus the excise tax on net investment income, plus or minus other adjustments, either allowed or required (see Net Adjustments to Distributable Amount in this section). Failure to distribute income within this period results in an excise tax on the undistributed portion.

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

*Net Adjustments to Distributable Amount*—The “distributable amount” is increased by recoveries of amounts previously treated as qualifying distributions. Additionally, certain organizations with governing instruments that require the accumulation of income are instructed to deduct the accumulated income from their distributable amount. These adjustments are allowed only for foundations organized before May 27, 1969, whose governing instrument requires such accumulation because State Courts

would not allow the organization to change the governing instrument. Recoveries on amounts treated as qualifying distributions and the deduction for accumulated income were reported on Form 990 PF, Part XI, lines 4 and 6, respectively.

*Net Investment Income*—This equals gross investment income less allowable deductions. Interest, dividends, rents, payments with respect to securities loans (as defined in IRC section 512(a)(5)), royalties, net income from realized capital gains, and, beginning in 2006, certain other similar income from investments are included in net investment income. Any investment income derived from unrelated trade or business activities, and therefore subject to the “unrelated business income” tax and reported on Form 990 T, *Exempt Organization Business Income Tax Return*, is excluded. Net investment income was reported on Form 990 PF, Part I, line 27b, column (b). This income may be subject to the excise tax on net investment income under IRC section 4940.

*Net Value of Noncharitable-use Assets*—An asset is considered a noncharitable-use asset if it is not used in carrying out a charitable, educational, or other similar function which relates directly to the tax-exempt status of the foundation. Examples include the fair market values of securities and rental property owned by the foundation for investment purposes. For purposes of calculating the “minimum investment return,” valuation methods for noncharitable-use assets reported in this section differ from those used to report the end-of-year fair market values for all assets in Part II. The average, rather than end of year, fair market values of cash and securities that were not used or held for use for charitable purposes during the tax year is derived and used in this calculation. With certain exceptions, other assets included in this calculation are valued annually, but not necessarily based on the end-of-year value. The fair market values of noncharitable-use assets may reflect reductions due to certain characteristics associated with those assets, such as lack of marketability or blockage. The net value of noncharitable-use assets is reduced by acquisition indebtedness and cash deemed held for charitable purposes; the latter reduction is generally limited to 1.5 percent of noncharitable-use assets less acquisition indebtedness. Thus, the net value of noncharitable-use assets, which was reported on Form 990 PF, Part X, line 5 as an element of the “minimum investment return”

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calculation, differed from the balance sheet-derived fair market value of total assets, as reported on Part II, line 16, column (c), which equaled the total end-of-year value for all assets held by the foundation.

*Nonoperating Foundations*—These are foundations that generally carried on their charitable activities in an indirect manner by making grants to other organizations directly engaged in charitable activities, in contrast to operating foundations that engaged in charitable activities themselves. However, for Tax Year 2007, some nonoperating foundations may have been actively involved in charitable programs of their own, in addition to making grants. For example, a foundation initially organized as operating that was unable to meet the operating foundation requirements for Tax Year 2007 could have continued its direct charitable activities. Such an organization could have directed expenditures made for these direct charitable activities, as well as expenditures made for the disbursement of contributions, gifts, and grants and other indirect charitable activities, toward meeting the required distribution requirement.

*Operating Foundations*—These foundations generally expended their income for direct, active involvement in a tax exempt activity. Operating foundations were exempted from the income distribution requirement and related excise taxes that were applicable to their nonoperating counterparts. Individual taxpayers could deduct contributions to operating foundations on their individual income tax returns; the deduction could not exceed 50 percent of a donor's "adjusted gross income" (as opposed to 30 percent for contributions to nonoperating foundations).

*Private Foundation*—A private foundation is defined in IRC section 501(c)(3) as a nonprofit organization with a narrow source of funds that operated or supported educational, scientific, charitable, religious, and other programs dedicated to improving the general welfare of society. A private foundation was an organization that qualified for tax-exempt status under IRC section 501(c)(3) but was not (1) a church, school, hospital, or medical research organization; (2) an organization with broad public support in the form of contributions or income from tax exempt activities; (3) an organization that was operated by, or in connection with, any of the above described organizations; or (4) an organization that conducted tests for public safety. The primary difference be-

tween a private foundation and other organizations exempt under 501(c)(3) was the source of the organization's funding. An individual, a family, or a corporation typically funded foundations, while most other tax-exempt organizations received funds from a large number of sources among the general public.

*Qualifying Distributions*—Qualifying distributions include disbursements for charitable purposes (grants, direct expenditures to accomplish charitable purposes, and charitable purpose operating and administrative expenses); amounts paid to acquire assets used directly to accomplish tax exempt functions; charitable program related investments; and amounts set aside for future charitable projects. Qualifying distributions may be credited against a foundation's obligation to pay out its "distributable amount." Total qualifying distributions were reported on Form 990 PF, Part XII, line 4.

*Set-Asides*—Amounts set-aside for specific charitable purposes can be treated as qualifying distributions only if the foundation establishes to the satisfaction of the IRS that the amount will be paid for the specific project within 60 months from the date of the first set-aside and if the foundation meets either the suitability test or the cash distribution test. To meet the suitability test, a foundation must receive prior approval from the IRS and must demonstrate that the project can be better accomplished by a set-aside than by an immediate payment of funds. To meet the cash distribution test under IRC section 4942(g)(2)(B)(ii), a foundation must attach a distribution schedule to its annual return for the year of the set-aside and for each subsequent year until the set-aside amount has been distributed. Set-asides were reported on Form 990-PF, Part XII, lines 3a and 3b.

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

*Total Revenue*—This is the sum of gross contributions, gifts, and grants received; interest on savings and temporary cash investments; dividends and interest from securities; net gain (or loss) from sales of assets (mostly investment assets, but also charitable use assets); gross rents and royalties; gross profit (or loss) from business activities; and other income (such as royalty income, program-related investment income,

## Domestic Private Foundations, Tax Years 2003–2007

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interest earned on assets used for charitable purposes, and imputed interest on distributions deferred interest). Total revenue items, which included both investment and charitable-use items, were reported on Form 990 PF, Part I, line 12, column (a).

*Undistributed Income*—This is the portion of the required “distributable amount” still undistributed after the sum of current year qualifying distributions and any excess distributions carried over from prior years are subtracted. This item was reported on Form 990 PF, Part XIII, line 6f, column (d). Under

IRC section 4942, nonoperating private foundations that did not pay out an amount equal to the Tax Year 2007 “distributable amount” by the end of Tax Year 2008 were subject to an excise tax on the undistributed amount. As a result of legislation included in the Pension Protection Act of 2006, the initial tax on undistributed income was increased from 15-percent to 30-percent of the undistributed amount for taxable years beginning after August 17, 2006. The tax, which is automatically imposed, is reported on Form 4720.

# Domestic Private Foundations, Tax Years 2003–2007

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**Table 1. All Domestic Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars**

[Money amounts are in thousands of dollars]

| Item  | Fair market value of total assets |                     |                                 |                                    |                                     |                                      |                       |
|---|-----------------------------------|---------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------------|-----------------------|
|   | All                               | Small foundations   |                                 | Medium foundations                 |                                     | Large foundations                    |                       |
|   |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 less than \$100,000,000 | \$100,000,000 or more |
|   | (1)                               | (2)                 | (3)                             | (4)                                | (5)                                 | (6)                                  | (7)                   |
| <b>Tax Year 2003</b>                              |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns                                 | 76,348                            | 24,172              | 28,061                          | 19,202                             | 3,780                               | 574                                  | 559                   |
| Fair market value of total assets                 | 474,952                           | 672                 | 11,851                          | 59,096                             | 79,580                              | 39,984                               | 283,769               |
| Revenue   | 48,391                            | 658                 | 2,003                           | 8,239                              | 9,750                               | 4,612                                | 23,129                |
| Qualifying distributions                          | 32,780                            | 941                 | 1,718                           | 5,814                              | 5,917                               | 2,837                                | 15,554                |
| Disbursements for charitable purposes             | 31,058                            | 926                 | 1,707                           | 5,688                              | 5,660                               | 2,650                                | 14,427                |
| Contributions, gifts, and grants paid             | 26,667                            | 794                 | 1,388                           | 4,941                              | 4,926                               | 2,305                                | 12,312                |
| Operating and administrative expenses             | 4,392                             | 132                 | 319                             | 747                                | 734                                 | 345                                  | 2,115                 |
| Compensation of officers, directors, and trustees | 440                               | 14                  | 21                              | 83                                 | 99                                  | 49                                   | 174                   |
| Other compensation                                | 1,432                             | 7                   | 41                              | 182                                | 221                                 | 109                                  | 873                   |
| Professional fees                                 | 786                               | 20                  | 55                              | 254                                | 103                                 | 54                                   | 299                   |
| Interest  | 38                                | [1]                 | [1]                             | 4                                  | 7                                   | 2                                    | 24                    |
| Taxes   | 58                                | 2                   | 5                               | 13                                 | 16                                  | 7                                    | 15                    |
| Occupancy   | 264                               | 5                   | 14                              | 35                                 | 59                                  | 18                                   | 133                   |
| Travel, conferences, and meetings                 | 183                               | 26                  | 11                              | 18                                 | 24                                  | 16                                   | 89                    |
| Printing and publications                         | 76                                | 4                   | 5                               | 9                                  | 9                                   | 6                                    | 43                    |
| Other expenses                                    | 1,115                             | 54                  | 167                             | 149                                | 197                                 | 83                                   | 466                   |
| <b>Tax Year 2004</b>                              |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns                                 | 76,897                            | 22,738              | 28,676                          | 20,126                             | 4,124                               | 623                                  | 610                   |
| Fair market value of total assets                 | 509,924                           | 626                 | 12,194                          | 62,628                             | 86,622                              | 43,065                               | 304,790               |
| Revenue   | 58,668                            | 669                 | 2,511                           | 9,118                              | 12,796                              | 5,587                                | 27,987                |
| Qualifying distributions                          | 33,486                            | 736                 | 1,777                           | 5,313                              | 6,761                               | 2,939                                | 15,959                |
| Disbursements for charitable purposes             | 32,125                            | 729                 | 1,773                           | 5,177                              | 6,529                               | 2,820                                | 15,096                |
| Contributions, gifts, and grants paid             | 27,625                            | 608                 | 1,269                           | 4,590                              | 5,727                               | 2,467                                | 12,963                |
| Operating and administrative expenses             | 4,500                             | 120                 | 504                             | 587                                | 802                                 | 353                                  | 2,133                 |
| Compensation of officers, directors, and trustees | 483                               | 14                  | 26                              | 96                                 | 109                                 | 52                                   | 186                   |
| Other compensation                                | 1,420                             | 10                  | 47                              | 164                                | 223                                 | 107                                  | 869                   |
| Professional fees                                 | 713                               | 21                  | 102                             | 105                                | 120                                 | 56                                   | 308                   |
| Interest  | 53                                | [1]                 | [1]                             | 5                                  | 9                                   | 4                                    | 35                    |
| Taxes   | 65                                | 2                   | 6                               | 11                                 | 18                                  | 8                                    | 20                    |
| Occupancy   | 271                               | 6                   | 16                              | 29                                 | 56                                  | 20                                   | 143                   |
| Travel, conferences, and meetings                 | 196                               | 19                  | 23                              | 24                                 | 25                                  | 15                                   | 91                    |
| Printing and publications                         | 70                                | 2                   | 2                               | 9                                  | 11                                  | 6                                    | 39                    |
| Other expenses                                    | 1,230                             | 48                  | 282                             | 143                                | 230                                 | 85                                   | 442                   |

Footnotes at end of table.

# Domestic Private Foundations, Tax Years 2003–2007

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**Table 1. All Domestic Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars—Continued**

[Money amounts are in thousands of dollars]

| Item  | Fair market value of total assets |                     |                                 |                                    |                                     |                                      |                       |
|---|-----------------------------------|---------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------------|-----------------------|
|   | All                               | Small foundations   |                                 | Medium foundations                 |                                     | Large foundations                    |                       |
|   |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 less than \$100,000,000 | \$100,000,000 or more |
|   | (1)                               | (2)                 | (3)                             | (4)                                | (5)                                 | (6)                                  | (7)                   |
| <b>Tax Year 2005</b>                              |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns                                 | 79,535                            | 23,039              | 29,479                          | 21,224                             | 4,459                               | 680                                  | 654                   |
| Fair market value of total assets                 | 545,938                           | 637                 | 12,593                          | 66,533                             | 92,377                              | 47,329                               | 326,469               |
| Revenue   | 76,365                            | 1,323               | 2,809                           | 12,958                             | 15,094                              | 7,644                                | 36,538                |
| Qualifying distributions                          | 38,629                            | 1,967               | 1,833                           | 6,074                              | 7,941                               | 3,522                                | 17,292                |
| Disbursements for charitable purposes             | 37,017                            | 1,959               | 1,773                           | 5,962                              | 7,710                               | 3,393                                | 16,219                |
| Contributions, gifts, and grants paid             | 31,856                            | 1,333               | 1,446                           | 5,287                              | 6,820                               | 2,939                                | 14,032                |
| Operating and administrative expenses             | 5,161                             | 626                 | 327                             | 675                                | 890                                 | 455                                  | 2,187                 |
| Compensation of officers, directors, and trustees | 525                               | 15                  | 46                              | 90                                 | 117                                 | 62                                   | 195                   |
| Other compensation                                | 1,555                             | 9                   | 64                              | 206                                | 228                                 | 135                                  | 914                   |
| Professional fees                                 | 924                               | 122                 | 89                              | 122                                | 138                                 | 99                                   | 353                   |
| Interest  | 51                                | [1]                 | [1]                             | 3                                  | 11                                  | 5                                    | 31                    |
| Taxes   | 69                                | 1                   | 5                               | 14                                 | 20                                  | 7                                    | 22                    |
| Occupancy   | 283                               | 5                   | 10                              | 44                                 | 59                                  | 23                                   | 143                   |
| Travel, conferences, and meetings                 | 216                               | 6                   | 30                              | 32                                 | 29                                  | 16                                   | 102                   |
| Printing and publications                         | 73                                | 1                   | 2                               | 9                                  | 11                                  | 9                                    | 42                    |
| Other expenses                                    | 1,464                             | 465                 | 80                              | 155                                | 277                                 | 99                                   | 387                   |
| <b>Tax Year 2006</b>                              |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns                                 | 81,850                            | 23,257              | 29,473                          | 22,782                             | 4,831                               | 742                                  | 765                   |
| Fair market value of total assets [2]             | 616,246                           | 661                 | 12,741                          | 71,639                             | 101,504                             | 51,824                               | 377,878               |
| Revenue   | 94,107                            | 1,543               | 3,246                           | 13,353                             | 17,874                              | 8,106                                | 49,986                |
| Qualifying distributions                          | 42,392                            | 2,481               | 2,575                           | 6,129                              | 8,172                               | 3,781                                | 19,254                |
| Disbursements for charitable purposes             | 40,686                            | 2,472               | 2,558                           | 5,985                              | 7,928                               | 3,595                                | 18,148                |
| Contributions, gifts, and grants paid             | 34,932                            | 1,735               | 2,199                           | 5,276                              | 6,975                               | 3,149                                | 15,598                |
| Operating and administrative expenses             | 5,754                             | 737                 | 359                             | 709                                | 952                                 | 446                                  | 2,550                 |
| Compensation of officers, directors, and trustees | 583                               | 19                  | 63                              | 103                                | 123                                 | 59                                   | 216                   |
| Other compensation                                | 1,618                             | 4                   | 68                              | 194                                | 249                                 | 133                                  | 970                   |
| Professional fees                                 | 919                               | 88                  | 58                              | 142                                | 130                                 | 105                                  | 396                   |
| Interest  | 72                                | [1]                 | 1                               | 8                                  | 15                                  | 5                                    | 43                    |
| Taxes   | 77                                | 1                   | 6                               | 14                                 | 21                                  | 8                                    | 27                    |
| Occupancy   | 304                               | 10                  | 11                              | 40                                 | 67                                  | 22                                   | 154                   |
| Travel, conferences, and meetings                 | 247                               | 11                  | 27                              | 36                                 | 32                                  | 22                                   | 118                   |
| Printing and publications                         | 78                                | 4                   | 7                               | 10                                 | 9                                   | 5                                    | 44                    |
| Other expenses                                    | 1,855                             | 600                 | 117                             | 163                                | 307                                 | 87                                   | 582                   |

Footnotes at end of table.

# Domestic Private Foundations, Tax Years 2003–2007

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**Table 1. All Domestic Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars—Continued**

[Money amounts are in thousands of dollars]

| Item  | Fair market value of total assets |                     |                                 |                                    |                                     |                                      |                       |
|---|-----------------------------------|---------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------------|-----------------------|
|   | All                               | Small foundations   |                                 | Medium foundations                 |                                     | Large foundations                    |                       |
|   |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 less than \$100,000,000 | \$100,000,000 or more |
|   | (1)                               | (2)                 | (3)                             | (4)                                | (5)                                 | (6)                                  | (7)                   |
| <b>Tax Year 2007</b>                              |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns                                 | 84,613                            | 22,890              | 31,081                          | 24,083                             | 5,002                               | 788                                  | 769                   |
| Fair market value of total assets [3]             | 652,441                           | 647                 | 13,430                          | 75,016                             | 105,521                             | 55,063                               | 402,765               |
| Revenue   | 107,304                           | 1,754               | 3,698                           | 15,015                             | 19,831                              | 9,591                                | 57,414                |
| Qualifying distributions                          | 51,038                            | 3,357               | 2,213                           | 7,161                              | 9,813                               | 4,435                                | 24,058                |
| Disbursements for charitable purposes             | 49,177                            | 3,338               | 2,185                           | 7,052                              | 9,464                               | 4,277                                | 22,860                |
| Contributions, gifts, and grants paid             | 42,578                            | 2,372               | 1,884                           | 6,284                              | 8,212                               | 3,802                                | 20,023                |
| Operating and administrative expenses             | 6,599                             | 966                 | 301                             | 768                                | 1,252                               | 475                                  | 2,837                 |
| Compensation of officers, directors, and trustees | 622                               | 38                  | 39                              | 117                                | 139                                 | 60                                   | 229                   |
| Other compensation                                | 1,877                             | 14                  | 80                              | 210                                | 301                                 | 173                                  | 1,099                 |
| Professional fees                                 | 1,044                             | 117                 | 62                              | 161                                | 182                                 | 70                                   | 452                   |
| Interest  | 75                                | [1]                 | 1                               | 7                                  | 19                                  | 6                                    | 42                    |
| Taxes   | 87                                | 1                   | 10                              | 18                                 | 27                                  | 9                                    | 22                    |
| Occupancy   | 333                               | 12                  | 14                              | 41                                 | 71                                  | 28                                   | 168                   |
| Travel, conferences, and meetings                 | 305                               | 50                  | 27                              | 29                                 | 41                                  | 16                                   | 142                   |
| Printing and publications                         | 83                                | 6                   | 8                               | 7                                  | 11                                  | 5                                    | 46                    |
| Other expenses                                    | 2,173                             | 728                 | 61                              | 179                                | 462                                 | 107                                  | 636                   |

[1] Less than \$500.

[2] The total assets amounts differ from those previously published for Tax Year 2006. The Bill and Melinda Gates Foundation reported "other investments," valued at fair market value of \$29.6 billion. This amount represented the foundation's interest in the Bill and Melinda Gates Foundation Trust. These assets were also reported by the Bill and Melinda Gates Foundation Trust on its Form 990-PF. For statistical purposes, the data shown in columns 1 and 7 were reduced by \$29.6 billion to avoid overstating these joint assets.

[3] The Bill and Melinda Gates Foundation reported "other investments," valued at fair market value of \$38.7 billion. This amount represented the foundation's interest in the Bill and Melinda Gates Foundation Trust. These assets were also reported by the Bill and Melinda Gates Foundation Trust on its Form 990-PF. For statistical purposes, the data shown in columns 1 and 7 were reduced by \$38.7 billion to avoid overstating these joint assets.

NOTE: Detail may not add to total due to rounding and processing tolerances.

# Domestic Private Foundations, Tax Years 2003–2007

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**Table 2. All Domestic Nonoperating Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars**

[Money amounts are in thousands of dollars]

| Item  | Fair market value of total assets |                     |                                 |                                    |                                     |                                      |                       |
|---|-----------------------------------|---------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------------|-----------------------|
|   | All                               | Small foundations   |                                 | Medium foundations                 |                                     | Large foundations                    |                       |
|   |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 less than \$100,000,000 | \$100,000,000 or more |
|   | (1)                               | (2)                 | (3)                             | (4)                                | (5)                                 | (6)                                  | (7)                   |
| <b>Tax Year 2003</b>                              |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns                                 | 70,004                            | 21,288              | 26,319                          | 17,869                             | 3,497                               | 522                                  | 509                   |
| Fair market value of total assets                 | 436,296                           | 586                 | 11,077                          | 54,748                             | 73,930                              | 36,588                               | 259,367               |
| Revenue   | 44,285                            | 553                 | 1,767                           | 7,342                              | 8,893                               | 3,996                                | 21,734                |
| Qualifying distributions                          | 29,811                            | 858                 | 1,566                           | 5,251                              | 5,336                               | 2,560                                | 14,240                |
| Disbursements for charitable purposes             | 28,826                            | 849                 | 1,556                           | 5,194                              | 5,187                               | 2,488                                | 13,553                |
| Contributions, gifts, and grants paid             | 26,116                            | 759                 | 1,337                           | 4,803                              | 4,805                               | 2,282                                | 12,131                |
| Operating and administrative expenses             | 2,710                             | 91                  | 219                             | 391                                | 382                                 | 206                                  | 1,422                 |
| Compensation of officers, directors, and trustees | 350                               | 10                  | 11                              | 59                                 | 80                                  | 41                                   | 149                   |
| Other compensation                                | 699                               | 6                   | 1                               | 38                                 | 83                                  | 47                                   | 524                   |
| Professional fees                                 | 626                               | 13                  | 43                              | 209                                | 81                                  | 37                                   | 242                   |
| Interest  | 17                                | [1]                 | [1]                             | 4                                  | 3                                   | 1                                    | 9                     |
| Taxes   | 27                                | 2                   | 2                               | 5                                  | 8                                   | 5                                    | 7                     |
| Occupancy   | 140                               | 1                   | 3                               | 11                                 | 22                                  | 11                                   | 91                    |
| Travel, conferences, and meetings                 | 127                               | 24                  | 4                               | 7                                  | 15                                  | 11                                   | 65                    |
| Printing and publications                         | 42                                | [1]                 | 4                               | 5                                  | 5                                   | 3                                    | 24                    |
| Other expenses                                    | 683                               | 34                  | 151                             | 53                                 | 86                                  | 48                                   | 311                   |
| <b>Tax Year 2004</b>                              |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns                                 | 70,613                            | 19,760              | 27,022                          | 18,894                             | 3,807                               | 573                                  | 557                   |
| Fair market value of total assets                 | 469,389                           | 533                 | 11,427                          | 58,510                             | 80,287                              | 39,677                               | 278,954               |
| Revenue   | 54,072                            | 595                 | 2,230                           | 8,239                              | 11,685                              | 5,256                                | 26,066                |
| Qualifying distributions                          | 30,493                            | 686                 | 1,547                           | 4,783                              | 6,164                               | 2,610                                | 14,703                |
| Disbursements for charitable purposes             | 29,803                            | 680                 | 1,544                           | 4,736                              | 6,056                               | 2,562                                | 14,224                |
| Contributions, gifts, and grants paid             | 27,074                            | 598                 | 1,225                           | 4,461                              | 5,632                               | 2,350                                | 12,808                |
| Operating and administrative expenses             | 2,729                             | 83                  | 318                             | 275                                | 424                                 | 213                                  | 1,416                 |
| Compensation of officers, directors, and trustees | 380                               | 10                  | 13                              | 69                                 | 87                                  | 43                                   | 159                   |
| Other compensation                                | 711                               | [1]                 | 4                               | 49                                 | 79                                  | 52                                   | 528                   |
| Professional fees                                 | 512                               | 17                  | 51                              | 64                                 | 95                                  | 38                                   | 248                   |
| Interest  | 26                                | [1]                 | [1]                             | 4                                  | 5                                   | 3                                    | 13                    |
| Taxes   | 32                                | 1                   | 2                               | 5                                  | 9                                   | 5                                    | 11                    |
| Occupancy   | 146                               | 1                   | 3                               | 12                                 | 22                                  | 12                                   | 96                    |
| Travel, conferences, and meetings                 | 118                               | 16                  | 4                               | 8                                  | 15                                  | 9                                    | 67                    |
| Printing and publications                         | 39                                | 2                   | 1                               | 4                                  | 7                                   | 3                                    | 22                    |
| Other expenses                                    | 764                               | 37                  | 242                             | 60                                 | 106                                 | 48                                   | 272                   |

Footnotes at end of table.

# Domestic Private Foundations, Tax Years 2003–2007

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**Table 2. All Domestic Nonoperating Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars—Continued**

[Money amounts are in thousands of dollars]

| Item  | Fair market value of total assets |                     |                                 |                                    |                                     |                                      |                       |
|---|-----------------------------------|---------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------------|-----------------------|
|   | All                               | Small foundations   |                                 | Medium foundations                 |                                     | Large foundations                    |                       |
|   |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 less than \$100,000,000 | \$100,000,000 or more |
|   | (1)                               | (2)                 | (3)                             | (4)                                | (5)                                 | (6)                                  | (7)                   |
| <b>Tax Year 2005</b>                              |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns                                 | 72,800                            | 19,581              | 28,008                          | 19,868                             | 4,118                               | 623                                  | 601                   |
| Fair market value of total assets                 | 502,268                           | 527                 | 11,763                          | 62,298                             | 85,643                              | 43,496                               | 298,541               |
| Revenue   | 69,245                            | 802                 | 2,325                           | 11,906                             | 13,204                              | 7,127                                | 33,882                |
| Qualifying distributions                          | 34,263                            | 1,420               | 1,536                           | 5,478                              | 6,591                               | 3,231                                | 16,008                |
| Disbursements for charitable purposes             | 33,323                            | 1,414               | 1,478                           | 5,442                              | 6,492                               | 3,175                                | 15,321                |
| Contributions, gifts, and grants paid             | 30,644                            | 1,278               | 1,391                           | 5,176                              | 6,035                               | 2,890                                | 13,873                |
| Operating and administrative expenses             | 2,679                             | 137                 | 87                              | 266                                | 457                                 | 285                                  | 1,448                 |
| Compensation of officers, directors, and trustees | 397                               | 12                  | 12                              | 65                                 | 93                                  | 49                                   | 166                   |
| Other compensation                                | 752                               | 7                   | 14                              | 40                                 | 79                                  | 61                                   | 550                   |
| Professional fees                                 | 630                               | 54                  | 23                              | 75                                 | 108                                 | 80                                   | 290                   |
| Interest  | 34                                | [1]                 | [1]                             | 1                                  | 7                                   | 4                                    | 22                    |
| Taxes   | 31                                | 1                   | 1                               | 6                                  | 10                                  | 4                                    | 9                     |
| Occupancy   | 156                               | 1                   | 5                               | 16                                 | 23                                  | 13                                   | 98                    |
| Travel, conferences, and meetings                 | 118                               | 3                   | 7                               | 12                                 | 16                                  | 10                                   | 72                    |
| Printing and publications                         | 37                                | 1                   | 1                               | 3                                  | 6                                   | 5                                    | 20                    |
| Other expenses                                    | 523                               | 57                  | 23                              | 47                                 | 115                                 | 60                                   | 221                   |
| <b>Tax Year 2006</b>                              |                                   |                     |                                 |                                    |                                     |                                      |                       |
| Number of returns                                 | 74,364                            | 19,509              | 27,612                          | 21,375                             | 4,473                               | 685                                  | 710                   |
| Fair market value of total assets [2]             | 568,145                           | 534                 | 11,790                          | 66,891                             | 94,055                              | 47,910                               | 346,965               |
| Revenue   | 86,196                            | 777                 | 2,790                           | 12,185                             | 15,848                              | 7,563                                | 47,034                |
| Qualifying distributions                          | 37,635                            | 1,780               | 2,258                           | 5,449                              | 6,960                               | 3,461                                | 17,727                |
| Disbursements for charitable purposes             | 36,729                            | 1,776               | 2,250                           | 5,399                              | 6,866                               | 3,352                                | 17,085                |
| Contributions, gifts, and grants paid             | 33,850                            | 1,713               | 2,128                           | 5,117                              | 6,371                               | 3,084                                | 15,438                |
| Operating and administrative expenses             | 2,879                             | 63                  | 122                             | 282                                | 495                                 | 268                                  | 1,647                 |
| Compensation of officers, directors, and trustees | 448                               | 9                   | 27                              | 75                                 | 101                                 | 48                                   | 189                   |
| Other compensation                                | 798                               | [1]                 | 6                               | 38                                 | 84                                  | 63                                   | 606                   |
| Professional fees                                 | 628                               | 8                   | 24                              | 77                                 | 101                                 | 87                                   | 331                   |
| Interest  | 49                                | [1]                 | [1]                             | 4                                  | 6                                   | 3                                    | 36                    |
| Taxes   | 37                                | 1                   | 3                               | 7                                  | 11                                  | 4                                    | 11                    |
| Occupancy   | 157                               | 1                   | 4                               | 12                                 | 25                                  | 12                                   | 104                   |
| Travel, conferences, and meetings                 | 141                               | 2                   | 12                              | 14                                 | 19                                  | 10                                   | 83                    |
| Printing and publications                         | 35                                | 1                   | 1                               | 4                                  | 6                                   | 2                                    | 20                    |
| Other expenses                                    | 586                               | 41                  | 45                              | 51                                 | 143                                 | 39                                   | 267                   |

Footnotes at end of table.

# Domestic Private Foundations, Tax Years 2003–2007

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**Table 2. All Domestic Nonoperating Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars—Continued**

[Money amounts are in thousands of dollars]

| Item  | Fair market value of total assets |                     |                                 |                                    |                                     |                                      |                       |
|---|-----------------------------------|---------------------|---------------------------------|------------------------------------|-------------------------------------|--------------------------------------|-----------------------|
|   | All                               | Small foundations   |                                 | Medium foundations                 |                                     | Large foundations                    |                       |
|   |                                   | Less than \$100,000 | \$100,000 less than \$1,000,000 | \$1,000,000 less than \$10,000,000 | \$10,000,000 less than \$50,000,000 | \$50,000,000 less than \$100,000,000 | \$100,000,000 or more |
| Tax Year 2007                                     | (1)                               | (2)                 | (3)                             | (4)                                | (5)                                 | (6)                                  | (7)                   |
| Number of returns                                 | 77,457                            | 19,255              | 29,472                          | 22,695                             | 4,594                               | 733                                  | 707                   |
| Fair market value of total assets [3]             | 601,621                           | 519                 | 12,511                          | 70,451                             | 97,024                              | 51,179                               | 369,937               |
| Revenue   | 99,039                            | 828                 | 3,211                           | 14,140                             | 17,185                              | 9,006                                | 54,668                |
| Qualifying distributions                          | 45,575                            | 2,445               | 1,993                           | 6,492                              | 8,123                               | 4,142                                | 22,380                |
| Disbursements for charitable purposes             | 44,547                            | 2,429               | 1,982                           | 6,426                              | 8,004                               | 4,071                                | 21,635                |
| Contributions, gifts, and grants paid             | 41,268                            | 2,339               | 1,834                           | 6,100                              | 7,441                               | 3,764                                | 19,790                |
| Operating and administrative expenses             | 3,279                             | 90                  | 148                             | 325                                | 563                                 | 307                                  | 1,846                 |
| Compensation of officers, directors, and trustees | 483                               | 7                   | 25                              | 88                                 | 111                                 | 51                                   | 200                   |
| Other compensation                                | 933                               | [1]                 | 15                              | 40                                 | 105                                 | 108                                  | 665                   |
| Professional fees                                 | 733                               | 19                  | 49                              | 90                                 | 140                                 | 58                                   | 377                   |
| Interest  | 46                                | [1]                 | [1]                             | 5                                  | 8                                   | 4                                    | 29                    |
| Taxes   | 43                                | [1]                 | 4                               | 8                                  | 14                                  | 5                                    | 11                    |
| Occupancy   | 182                               | 1                   | 4                               | 15                                 | 25                                  | 14                                   | 123                   |
| Travel, conferences, and meetings                 | 186                               | 28                  | 10                              | 13                                 | 22                                  | 10                                   | 102                   |
| Printing and publications                         | 40                                | 2                   | 2                               | 3                                  | 6                                   | 2                                    | 24                    |
| Other expenses                                    | 632                               | 31                  | 38                              | 62                                 | 131                                 | 55                                   | 315                   |

[1] Less than \$500.

[2] The total assets amounts differ from those previously published for Tax Year 2006. The Bill and Melinda Gates Foundation reported "other investments," valued at fair market value of \$29.6 billion. This amount represented the foundation's interest in the Bill and Melinda Gates Foundation Trust. These assets were also reported by the Bill and Melinda Gates Foundation Trust on its Form 990-PF. For statistical purposes, the data shown in columns 1 and 7 were reduced by \$29.6 billion to avoid overstating these joint assets.

[3] The Bill and Melinda Gates Foundation reported "other investments," valued at fair market value of \$38.7 billion. This amount represented the foundation's interest in the Bill and Melinda Gates Foundation Trust. These assets were also reported by the Bill and Melinda Gates Foundation Trust on its Form 990-PF. For statistical purposes, the data shown in columns 1 and 7 were reduced by \$38.7 billion to avoid overstating these joint assets.

NOTE: Detail may not add to total due to rounding and processing tolerances.

# Controlled Foreign Corporations, 2006

by Lee Mahony and Randy Miller

**F**or Tax Year 2006, foreign corporations controlled by U.S. multinational corporations held \$11.7 trillion in assets and reported receipts of \$4.8 trillion. These controlled foreign corporations (CFCs) paid \$98.6 billion in foreign income taxes on \$509.5 billion of earnings and profits (E&P) before income taxes. CFC assets and receipts both increased by nearly 27 percent from Tax Year 2004, while E&P and foreign taxes paid increased by slightly more than 40 percent.

More than 78.0 percent, or 61,147, of CFCs for Tax Year 2006 were concentrated in three major industrial sectors: (1) goods production; (2) distribution and transportation of goods; and (3) services. These three industrial sectors accounted for 82.3 percent of total receipts (\$4.0 trillion), 67.2 percent of E&P (less deficit) before income taxes (\$342.3 billion), and 59.6 percent of income taxes (\$58.8 billion). Foreign corporations in the finance, insurance, real estate, and rental and leasing sector held 48.7 percent of total CFC assets (\$5.7 trillion) while generating only 10.7 percent of total CFC receipts (\$513.4 billion) and 18.5 percent of total CFC E&P (less deficit) before income taxes (\$94.0 billion).

For Tax Year 2006, 78,249 CFCs were incorporated in 187 different countries.<sup>1</sup> More than 43 percent, or 34,158, of these CFCs were incorporated in Europe. Slightly more than 91 percent of these European CFCs were located in European Union countries. Latin American and Asian CFCs represented 13.9 percent and 21.4 percent of all CFCs, respectively.

## Controlled Foreign Corporations

Direct foreign investment by U.S. persons may take several forms, including foreign branches, partnerships, and separate corporations. This article deals

with the use of the corporation as a vehicle for direct foreign investment. For U.S. income tax purposes, a foreign corporation is “controlled” if U.S. shareholders own more than 50 percent of its outstanding voting stock, or more than 50 percent of the value of all its outstanding stock (directly, indirectly, or constructively) on any day during the foreign corporation’s tax year. A “noncontrolled” foreign corporation is any foreign corporation that fails to meet either of the above requirements for control. For purposes of determining control, a U.S. shareholder is defined as a U.S. person who owns 10 percent or more of the foreign corporation’s total combined voting stock.<sup>2</sup> However, for Statistics of Income purposes, a foreign corporation is controlled only if one U.S. corporation satisfies either of the above 50-percent ownership requirements for an uninterrupted period of at least 30 days during the foreign corporation’s tax year.<sup>3</sup> For Tax Year 2006, there were 11,873 U.S. corporations that held such control over at least one foreign corporation.

In general, the income of a CFC is not taxable to the U.S. shareholders until repatriated in the form of a dividend. Prior to 1962, U.S. taxpayers could defer U.S. tax on such income indefinitely by accumulating this income in a CFC. To address the potential for tax avoidance, Congress enacted the Subpart F provisions of the Internal Revenue Code in 1962.<sup>4</sup> These provisions require certain items of income to be treated as dividends deemed paid to the U.S. shareholders and, therefore, subject to current U.S. taxation. Currently, a U.S. shareholder of a CFC may be required to include in gross income the shareholder’s ratable share of the CFC’s: (1) Subpart F income (see *Subpart F income* in the *Explanation of Selected Terms* section of this article); (2) earnings invested in U.S. property; (3) previously excluded Subpart F income withdrawn from “qualified investments” in less developed countries; (4) previously excluded export trade income withdrawn from investment in export trade assets; and (5) factoring income (income derived from the acquisition of a trade or service receivable).

*Lee Mahony and Randy Miller are economists with the Special Studies Returns Analysis Section. This article was prepared under the direction of Chris Carson, Chief.*

<sup>1</sup> Based on unpublished data.

<sup>2</sup> The current definition of a controlled foreign corporation is provided in Internal Revenue Code section 957. Ownership attribution rules are provided in section 958.

<sup>3</sup> The statistics in this article pertain only to foreign corporations for which one U.S. corporation satisfies the requirements for control. Generally, complete Form 5471 filings are required only for foreign corporations controlled by a single U.S. shareholder (i.e., those shareholders meeting the definition of a “Category of Filer 4” taxpayer per the Form 5471 instructions). Partial filing requirements exist for noncontrolled foreign corporations and for controlled foreign corporations that are not controlled by a single U.S. shareholder. For more details, refer to the instructions for Form 5471.

<sup>4</sup> The prevention of tax avoidance was a primary tax policy objective that led to the enactment of the Subpart F provisions of the Internal Revenue Code. Other policy considerations also contributed to the enactment of Subpart F. For more detailed information on the history of Subpart F, see “*The Deferral of Income Earned Through U.S. Controlled Foreign Corporations: A Policy Study*,” Office of Tax Policy, Department of the Treasury, December 2000.

# Controlled Foreign Corporations, 2006

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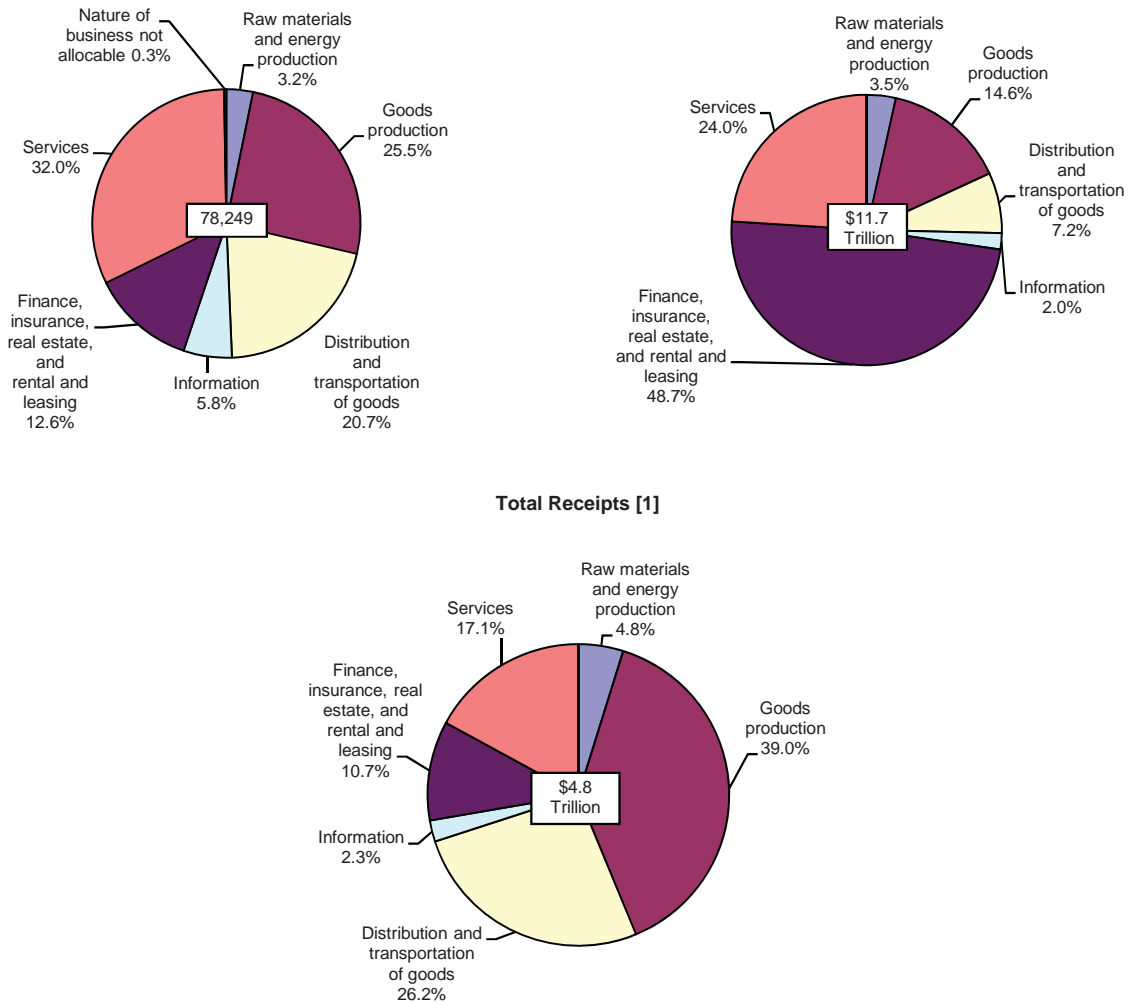
## CFCs by Industrial Sector

For Tax Year 2006, goods producers accounted for 14.6 percent of end-of-year assets and 39.0 percent of total receipts (see Figure A). These CFCs earned 28.0 percent of the E&P (less deficit) before income taxes for all corporate-owned CFCs. Goods producers paid \$25.3 billion of foreign taxes, representing 25.7 percent of all taxes paid by CFCs. Chemical,

computer and electronic products, petroleum and coal products, and transportation equipment manufacturers collectively reported 52.7 percent of end-of-year assets, 58.3 percent of total receipts, and 51.8 percent of E&P (less deficits) before income taxes for all goods producers. Chemical manufacturers alone generated 25.5 percent of the E&P (less deficit) before income taxes and 20.8 percent of the foreign income taxes reported by all goods producers. Within

Figure A

**U.S. Corporations and Their Controlled Foreign Corporations: Number, End-of-Year Assets, and Receipts, by Industrial Sector of Controlled Foreign Corporation, Tax Year 2006**



[1] Includes "Nature of business not allocable," not shown separately.  
NOTE: Detail may not add to 100 percent because of rounding.

the goods production sector, beverage manufacturers experienced tremendous growth from Tax Year 2004 to Tax Year 2006. The number of beverage manufacturers increased by 48.9 percent, while assets and receipts for these CFCs increased by 51.7 percent and 37.6 percent, respectively. Conversely, paper manufacturers experienced a large decline from Tax Year 2004 to Tax Year 2006. The number of paper manufacturers fell 39.5 percent, while the assets and receipts for these CFCs fell 46.2 percent and 20.0 percent, respectively.

For Tax Year 2006, CFCs engaged in finance, insurance, real estate, and rental and leasing held 48.7 percent of all assets while generating only 10.7 percent of the total receipts and 18.5 percent of the E&P (less deficit) before income taxes reported by all CFCs. The number of CFCs in this sector increased 12.4 percent from Tax Year 2004, while assets and receipts both increased by more than 44 percent. More than \$4.9 trillion, or 86.9 percent, of the assets reported for this industrial sector were attributable to finance corporations. These finance corporations generated 70.2 percent of receipts and 76.8 percent of the E&P (less deficit) before income taxes for this industrial sector. Insurance subsidiaries reported nearly \$0.6 trillion in assets and a little more than \$0.1 trillion in receipts, representing 10.0 percent and 22.8 percent of the total assets and total receipts for this sector, respectively.

There were more CFCs in the services sector than any other industrial sector. For Tax Year 2006, 32.0 percent of all CFCs were classified as service corporations. Service providers reported nearly \$2.8 trillion in assets and more than \$0.8 trillion in receipts. However, excluding management and holding companies, CFCs classified in the services sector reported only \$0.5 trillion in assets and \$0.4 trillion in receipts.

Every major industrial sector showed increases in total receipts and E&P (less deficit) before income taxes between Tax Year 2004 and Tax Year 2006. CFCs engaged in raw materials and energy production reported an 82.1-percent increase in total receipts, the largest of any major industrial sector. CFCs engaged in finance, insurance, real estate, and rental and leasing also reported a substantial increase in total receipts during this period (44.2 percent). These CFCs reported a 62.5-percent increase in E&P (less deficit) before income taxes, second only to the 93.1-percent increase for CFCs in the raw materi-

als and energy production sector. At the subsector level, CFCs in several industries related to internet services experienced significant growth between Tax Year 2004 and Tax Year 2006. Within the retail trade sector, CFCs engaged in electronic shopping and mail-order houses saw their assets increase by 249.5-percent and total receipts increase by 184.9 percent. These CFCs reported a 210.5-percent increase in E&P (less deficit) before taxes. Within the information sector, CFCs engaged in internet service, web search, and data processing experienced a 106.5-percent increase in assets and a 151.4-percent increase in total receipts. These CFCs reported a 491.3-percent increase in E&P (less deficit) before income taxes. Internet publishing and broadcasting CFCs reported a 67.1-percent increase in assets and an 80.6-percent increase in total receipts.

## Geographic Distribution of CFCs

Figure B shows the geographic distribution of CFCs by major region of incorporation. For Tax Year 2006, Europe remained the dominant region for CFC activity. Europe alone accounted for 59.6 percent of end-of-year assets, 50.8 percent of total receipts, and 46.8 percent of E&P (less deficit) before income taxes for all CFCs. European CFCs paid 44.1 percent of the \$98.6 billion of foreign income taxes reported by all CFCs for Tax Year 2006. Within Europe, most CFC activity was concentrated in European Union (EU) countries. Nearly 92 percent of European CFCs were incorporated in EU countries. These CFCs reported 93.5 percent of ending assets, 88.1 percent of total receipts, and 82.2 percent of E&P (less deficit) before income taxes for all European CFCs. More than 49 percent of European CFCs not incorporated in EU countries were incorporated in Switzerland. These Swiss CFCs accounted for 73.9 percent of ending assets, 85.1 percent of receipts, and 77.0 percent of E&P (less deficit) before income taxes for non-EU European CFCs.

Other Western Hemisphere countries (which includes Canada and Caribbean countries but excludes Central and South America) and Asia also were significant regions of CFC activity. CFCs conducting business in the Other Western Hemisphere countries held 21.8 percent of all CFC end-of-year assets and reported 21.2 percent of all CFC receipts. These CFCs reported 26.4 percent of the E&P (less deficit) before income taxes and paid 26.1 percent of the

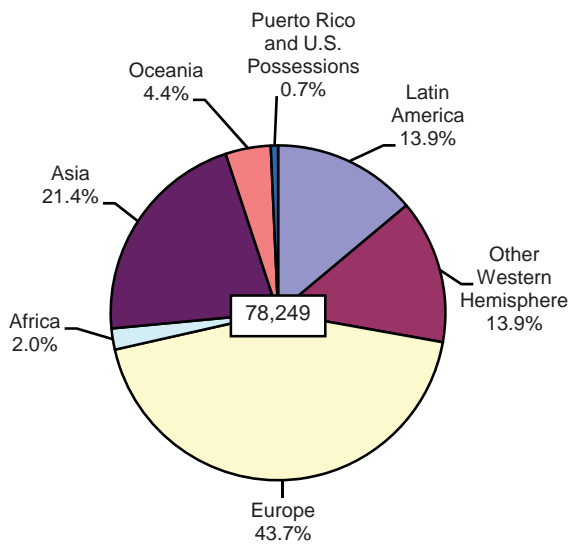
# Controlled Foreign Corporations, 2006

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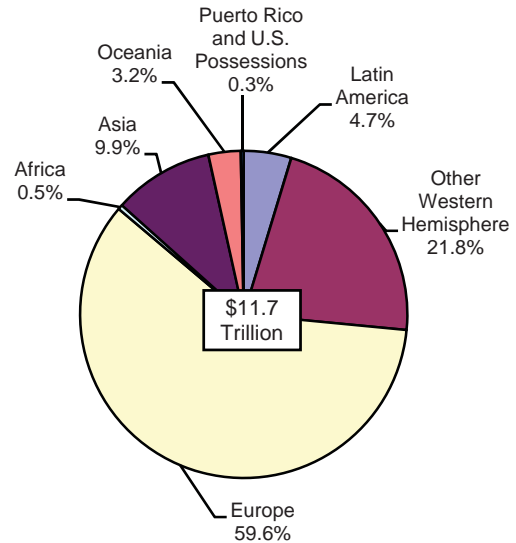
Figure B

## U.S. Corporations and Their Controlled Foreign Corporations: Number, End-of-Year Assets, Receipts, and Earnings, by Geographic Region of Incorporation of Controlled Foreign Corporation, Tax Year 2006

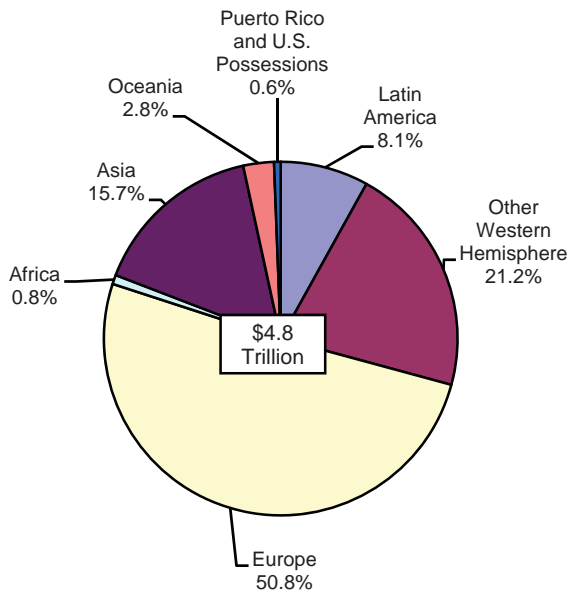
Number of Controlled Foreign Corporations



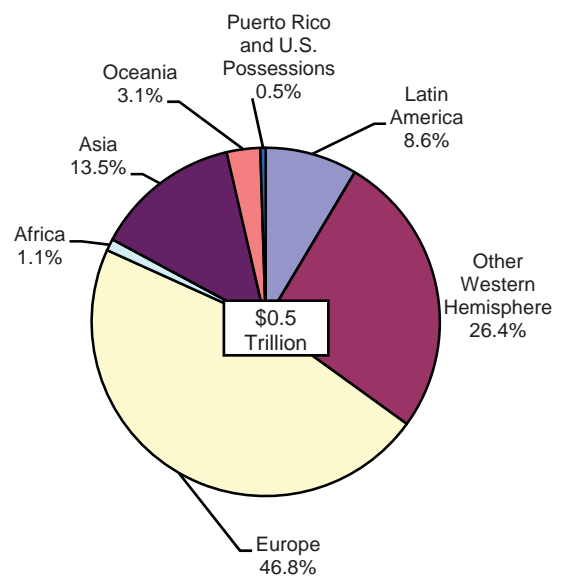
End-of-Year Assets



Total Receipts



Current Earnings and Profits [1]



[1] Less deficits and before income taxes.

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

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foreign income taxes paid by all CFCs. Within the Other Western Hemisphere region, Canada was home to most CFC activity. Canadian CFCs generated 57.0 percent of the total receipts for this region. Canadian CFCs accounted for 31.4 percent of the E&P (less deficit) before income taxes, and 43.2 percent of the foreign income taxes for CFCs in this region. With 6,935 CFCs, Canada had more CFCs than any other country except the United Kingdom (8,688). CFCs in Asia reported 9.9 percent of the ending assets, 15.7 percent of the total receipts, and 13.5 percent of the E&P (less deficit) before income taxes for all CFCs. More CFC economic activity occurred in Japan than any other Asian country. Japanese CFCs accounted for 41.0 percent of the ending assets, 27.9 percent of the total receipts, and 22.8 percent of the E&P (less deficit) before income taxes reported by all Asian CFCs. For Tax Year 2006, there were more CFCs incorporated in China (3,426) than any other Asian country, including Japan (2,554). In fact, for Tax Year 2006, only four countries had more CFCs than China.<sup>5</sup> For Tax Year 2006, Japan (\$211.5 billion) and Singapore (\$122.6 billion) were the only Asian countries that accounted for more CFC receipts than China (\$82.1 billion).

The two geographic groupings with the smallest CFC representation were Africa and U.S. Possessions (including Puerto Rico). Only 2.7 percent of all CFCs were incorporated in these two regions. Collectively, these two regions accounted for 0.8 percent of end-of-year assets, 1.4 percent of total receipts, and 1.6 percent of E&P (less deficit) before income taxes for all CFCs. Within Africa, most CFC activity was concentrated in five countries. Egypt, Liberia, Mauritius, Nigeria, and South Africa collectively accounted for 90.2 percent of ending assets, 83.6 percent of the total receipts, and 96.8 percent of the E&P (less deficit) before income taxes for all African CFCs. South Africa alone had 40.1 percent of African CFCs. South African CFCs reported 25.9 percent of the ending assets, 52.2 percent of the total receipts, and 36.3 percent of the E&P (less deficit) before income taxes reported by all African CFCs. Most CFC activity in the U.S. possessions is attributable to Puerto Rico. Puerto Rican CFCs held 81.4 percent of ending assets and generated 92.1 percent of the total receipts reported by all CFCs operating in

the U.S. possessions. For Tax Year 2006, the average tax rate for CFCs incorporated in Puerto Rico and U.S. Possessions was 14.1 percent, compared to the average tax rate of 19.4 percent for all other CFCs [see *Average tax rate* in the Explanation of Selected Terms at the end of this article]. CFCs incorporated in African countries had the highest average tax rate of any region at 24.0 percent.

Between Tax Year 2004 and Tax Year 2006, the number of CFCs increased by only 4.8 percent. However, CFC assets and receipts increased by 26.6 percent and 27.0 percent, respectively. Asia was the only major geographic region to experience a double-digit percentage increase in the number of CFCs between Tax Year 2004 and Tax Year 2006. The number of Asian CFCs increased by 16.9 percent during this period. This increase is largely attributable to the 51.3-percent increase in Chinese CFCs. Chinese CFCs reported a 71.4-percent increase in ending assets and a 70.6-percent increase in receipts. Despite this growth, Chinese CFCs reported only 13.8 percent of the ending assets and 38.8 percent of the receipts reported by Japanese CFCs for Tax Year 2006.

### Profitability

For purposes of this article, two measures are used to assess pretax profitability for CFCs: rate of return on assets and profit margin. Rate of return on assets is defined as current E&P (less deficit) before income taxes divided by end-of-year assets. Profit margin is defined as current E&P (less deficit) before income taxes divided by total receipts.

For Tax Year 2006, profitability measures varied among the six different major industrial sectors. CFCs engaged in raw materials and energy production reported both the highest rate of return on assets (15.8 percent) and the highest profit margin (27.6 percent). The high profitability of this sector is attributable to CFCs in the mining subsector. The return on assets and profit margin for mining CFCs were 17.0 percent and 31.3 percent, respectively. CFCs in the utilities subsector reported a 10.3 percent return on assets and a 15.7 percent profit margin, while CFCs engaged in agriculture, forestry, and fishing reported only a 7.4-percent rate of return on assets and an 8.0-percent profit margin.

<sup>5</sup> The countries with the most CFCs are: United Kingdom (8,688), Canada (6,935), Mexico (4,701), Germany (4,160), China (3,426), France (3,381), Netherlands (3,123), Australia (2,651), Japan (2,554), and Hong Kong (1,978).

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CFCs engaged in the goods production and distribution and transportation of goods sectors reported the next highest return on assets percentages (8.3 percent and 8.2 percent, respectively). These CFCs, however, also reported the lowest profit margins of any sector (7.6 percent and 5.5 percent, respectively). Conversely, CFCs in the finance, insurance, real estate, and rental and leasing sector reported the second highest profit margin (18.3 percent), while reporting the lowest return on assets (1.7 percent).

## Distributions of Earnings and Profits

For Tax Year 2006, CFCs distributed \$188.6 billion of E&P to U.S. and foreign shareholders. Nearly 66 percent of distributions of E&P were not previously taxed E&P (\$124.5 billion), while the remainder was distributed from previously taxed E&P (\$64.2 billion). Nearly 33 percent of CFC distributions (or \$61.6 billion) represented taxable dividends to the U.S. parent corporation.

The majority of distributions of E&P are attributed to CFCs doing business in the goods production and services sectors. These two industrial sectors distributed \$105.0 billion of E&P or 55.7 percent of total distributions. Of this total, \$71.2 billion were from not previously taxed E&P, with the remaining \$33.8 billion coming from previously taxed E&P.

Almost 21.4 percent of the distributions by goods producers were attributable to chemical manufacturers, while an additional 12.3 percent were attributable to manufacturers of computers and electronic products. CFCs classified as management companies reported 83.2 percent of the distributions to shareholders reported by all services CFCs. CFCs engaged in oil and gas extraction accounted for 71.0 percent of all distributions from the raw materials and energy production sector and 8.5 percent of distributions from all CFCs.

European based CFCs accounted for 46.8 percent (\$88.3 billion) of all distributions of E&P. Nearly 58.1 percent of these distributions were from not previously taxed E&P (\$51.3 billion), with the remainder distributed from previously taxed E&P (\$37.0 billion). CFCs incorporated in European Union countries made 87.1 percent of all shareholder distributions by European CFCs. CFCs in the Other Western Hemisphere region distributed \$49.8 billion of E&P in Tax Year 2006, or 26.4 percent of all distributions. Canadian CFCs accounted for 42.2 percent of these distributions; CFCs in Bermuda and the Cayman Islands accounted for 22.3 percent and 20.7 percent, respectively.

Figure C displays taxable payout ratios by industrial sector. The taxable payout ratio is defined as taxable dividends paid to a U.S. person by a CFC

Figure C

### U.S. Corporations and Their Controlled Foreign Corporations: Number of Foreign Corporations with Positive Current Earnings and Profits Net of Current Year Subpart F Income and Taxable Payout Ratios, by Industrial Sector of Controlled Foreign Corporation, Tax Year 2006

[Money amounts are in thousands of dollars]

| Industrial sector of Controlled Foreign Corporation     | Number of foreign corporations with positive current earnings and profits net of current year Subpart F income | Positive current earnings and profits net of current year Subpart F income [1] | Taxable payout ratio (percentage) |
|---|--|--|-----------------------------------|
|   | (1)  | (2)  | (3)                               |
| <b>All industries</b>                                   | <b>44,971</b>  | <b>400,854,698</b>   | <b>9.7</b>                        |
| Raw materials and energy production                     | 1,099  | 42,145,204   | 20.3                              |
| Goods production  | 12,542   | 122,123,239  | 7.7                               |
| Distribution and transportation of goods                | 10,364   | 52,193,865   | 9.9                               |
| Information   | 2,212  | 12,854,861   | 6.4                               |
| Finance, insurance, real estate, and rental and leasing | 5,416  | 68,677,875   | 6.0                               |
| Services  | 13,255   | 102,823,364  | 10.6                              |
| Nature of business not allocable                        | 83   | 36,289   | 2.1                               |

[1] Amounts are multiplied by the total percentage of voting stock owned by the Form 5471 filer at the end of its annual accounting period.

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with positive current E&P net of current-year Subpart F income divided by positive current E&P net of current-year Subpart F income (see definitions of U.S. person, *Current earnings and profits*, and *Subpart F income* in the Explanation of Selected Terms at the end of this article). For Tax Year 2006, CFCs reported a taxable payout ratio of 9.7 percent, slightly higher than the 8.8-percent ratio for Tax Year 2004. CFCs in the raw materials and energy production sector reported the largest taxable payout ratio (20.3 percent). This percentage is nearly double the 10.6 percent reported for the services sector, the sector with the next highest taxable payout ratio.

## CFCs and Foreign Disregarded Entities

A foreign disregarded entity (FDE) is an entity that is created or organized outside the United States and is disregarded as a separate entity from its tax owner for U.S. income tax purposes. The tax owner is treated as owning all the FDE's assets and liabilities. The tax owner is typically a U.S. or foreign corporation or partnership. FDEs are created for various international tax planning reasons, including subpart F and foreign tax credit planning. The statistics presented below pertain only to FDEs with tax owners that are controlled foreign corporations.

Figure D

### Foreign Disregarded Entities Owned by Controlled Foreign Corporations: Number of Foreign Disregarded Entities, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Country of Incorporation of Foreign Disregarded Entity, Tax Year 2006

[Money amounts are in thousands of dollars]

| Selected country of incorporation of foreign disregarded entity | Number of foreign disregarded entities | End-of-year total assets | Current earnings and profits (less deficit) after income taxes |
|---|--|--------------------------|--|
|   | (1)                                    | (2)                      | (3)  |
| <b>All geographic regions</b>                                   | <b>13,755</b>                          | <b>3,574,647,024</b>     | <b>107,192,531</b>   |
| <b>Latin America, total</b>                                     | <b>741</b>                             | <b>85,173,903</b>        | <b>4,438,599</b>   |
| Brazil  | 188                                    | 30,623,981               | 1,334,149  |
| Mexico  | 297                                    | 38,443,176               | 1,776,680  |
| <b>Other Western Hemisphere, total</b>                          | <b>1,279</b>                           | <b>492,864,385</b>       | <b>27,137,950</b>  |
| Bermuda   | 235                                    | 79,588,939               | 11,613,336   |
| Canada  | 301                                    | 148,351,238              | 5,621,451  |
| Cayman Islands  | 449                                    | 169,791,583              | 5,495,275  |
| <b>Europe, total</b>  | <b>9,107</b>                           | <b>2,766,537,931</b>     | <b>58,256,785</b>  |
| European Union, total   | 8,506                                  | 2,608,408,798            | 48,142,673   |
| Belgium   | 221                                    | 42,395,902               | -236,460   |
| France (including Corsica, Guadeloupe, Martinique, and Reunion) | 924                                    | 107,146,751              | 625,866  |
| Germany   | 1,191                                  | 153,915,445              | 2,864,542  |
| Ireland   | 497                                    | 239,221,202              | 19,792,370   |
| Italy   | 377                                    | 36,850,676               | 727,235  |
| Luxembourg  | 375                                    | 370,899,675              | 623,366  |
| Netherlands   | 1,236                                  | 322,253,655              | 9,355,645  |
| Spain (including Canary Isles)                                  | 307                                    | 44,568,149               | 599,133  |
| Sweden  | 340                                    | 37,696,433               | 265,431  |
| United Kingdom and Northern Ireland (including Gibraltar)       | 2,132                                  | 1,182,469,860            | 9,277,509  |
| Other European countries, total                                 | 601                                    | 158,129,133              | 10,114,442   |
| Switzerland   | 274                                    | 86,113,667               | 7,506,574  |
| <b>Africa, total</b>  | <b>247</b>                             | <b>13,848,320</b>        | <b>634,065</b>   |
| <b>Asia, total</b>  | <b>1,648</b>                           | <b>112,831,588</b>       | <b>14,529,693</b>  |
| China   | 501                                    | 23,730,369               | 3,784,146  |
| Hong Kong   | 335                                    | 32,444,812               | 1,926,725  |
| Singapore   | 257                                    | 29,266,206               | 6,091,737  |
| <b>Oceania, total</b>   | <b>718</b>                             | <b>102,993,510</b>       | <b>2,194,460</b>   |
| Australia   | 537                                    | 97,398,160               | 1,715,351  |
| <b>Puerto Rico and U.S. Possessions, total</b>                  | <b>15</b>                              | <b>397,386</b>           | <b>981</b>   |

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For Tax Year 2006, controlled foreign corporations were tax owners of 13,755 FDEs. These foreign disregarded entities reported nearly \$3.6 trillion in assets and \$107.2 billion in E&P (less deficit) after taxes. Foreign disregarded entities owned by controlled foreign corporations operated in 141 different countries.<sup>6</sup> Figure D displays foreign disregarded entity data by geographic region and selected country of incorporation. For Tax Year 2006, 66.2 percent of foreign disregarded entities owned by CFCs were incorporated in European countries. European FDEs accounted for 77.4 percent of the ending assets and 54.3 percent of the E&P (less deficit) after income taxes reported for all FDEs. More than 93 percent of European FDEs were incorporated in European Union countries. European Union FDEs accounted for 94.3 percent of the assets and 82.6 percent of the E&P (less deficit) after taxes reported for all European FDEs. The United Kingdom domiciled 15.5 percent of all FDEs for Tax Year 2006, far more than any other country. United Kingdom FDEs reported nearly \$1.2 trillion in end-of-year assets, more than 33 percent of all FDE assets. FDEs organized in Ireland and Bermuda generated more E&P (less deficit) after taxes than any other countries, reporting \$19.8 billion and \$11.6 billion, respectively.

Figure E presents FDE data by industrial sector. For Tax Year 2006, nearly 33 percent of FDEs operated in the services sector. These services FDEs reported \$1.1 trillion in assets, second only to FDEs in the finance, insurance, real estate, and rental and leasing sector (\$1.3 trillion). FDEs engaged in goods production and services reported \$31.5 billion and \$26.0 billion in E&P (less deficit) after income taxes, respectively. Together the goods production and services sector accounted for 53.7 percent of all FDE earnings.

## Data Sources and Limitations

The statistics presented in this article are based on information collected from corporate income tax returns (Form(s) 1120) with accounting periods ending July 2006 through June 2007 and their attached Form(s) 5471, *Information Return of U.S. Persons With Respect to Certain Foreign Corporations*. A U.S. corporation is required by Internal Revenue Service regulations to submit a Form 5471 for any controlled foreign corporation (CFC) with an accounting period ending with or within the U.S. parent's accounting period. Thus, the accounting periods for Tax Year 2006 CFCs may have ended as early as July 2005 and as late as June 2007. However, most CFC activity occurred in Calendar Year 2006. These

Figure E

### Foreign Disregarded Entities Owned by Controlled Foreign Corporations: Number of Foreign Disregarded Entities, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Industrial Sector of Foreign Disregarded Entity, Tax Year 2006

[Money amounts are in thousands of dollars]

| Industrial sector of "Category of Filer 4" foreign disregarded entity | Number of foreign disregarded entities | End-of-year total assets | Current earnings and profits (less deficit) after income taxes |
|---|--|--------------------------|--|
|   | (1)                                    | (2)                      | (3)  |
| <b>All industries</b>   | <b>13,755</b>                          | <b>3,574,647,024</b>     | <b>107,192,531</b>   |
| Raw materials and energy production                                   | 658                                    | 137,747,618              | 12,942,084   |
| Goods production  | 2,933                                  | 588,143,685              | 31,500,841   |
| Distribution and transportation of goods                              | 2,466                                  | 192,258,008              | 13,516,884   |
| Information   | 794                                    | 296,280,812              | 12,837,212   |
| Finance, insurance, real estate, and rental and leasing               | 2,214                                  | 1,268,219,785            | 10,285,337   |
| Services  | 4,525                                  | 1,078,116,218            | 26,010,065   |
| Nature of business not allocable                                      | 166                                    | 13,880,898               | 100,108  |

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

<sup>6</sup> Based on unpublished data.

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statistics report data for active foreign corporations controlled by U.S. corporations (see definition of *Active versus inactive Controlled foreign corporations* in the Explanation of Selected Terms).

Coefficient of variation (CV) tables are not provided because these data are not subject to significant sampling error. For example, CFCs sampled at a 100-percent rate accounted for 96.7 percent of the sampled returns and nearly 87.5 percent of the estimated population. Furthermore, CFCs sampled at a 100-percent rate accounted for 99.7 percent of the total ending assets for all CFCs.<sup>7</sup> However, these data may be subject to nonsampling error.

Several limitations apply when making comparisons to prior-year statistics. First, the data in this article are based upon a sample of U.S. corporations. For Tax Year 2006, this sample generally includes all CFCs controlled by U.S. corporations with \$50 million or more in total assets or \$5.0 million or more in “proceeds” and all CFCs filed by U.S. corporations with less than \$50 million in the SOI corporate sample.<sup>8</sup> The sample for the Tax Year 2006 CFC statistics is far more inclusive than studies conducted before Tax Year 2004, which included only the 7,500 largest CFCs controlled by U.S. corporations with \$500 million or more in total assets.

Second, statistics previously published by Statistics of Income for tax years before 1986 were for all CFCs controlled by U.S. corporations with total assets of \$250 million or more, and were not limited to the 7,500 largest active CFCs controlled by U.S. corporations with total assets of \$500 million or more. Therefore, the statistics for these years include smaller and also inactive CFCs. For this reason, comparisons between statistics on the largest CFCs and statistics for years before 1986 should be made with caution.

Finally, fluctuations in exchange rates can have significant effects on the reported statistics. Financial statistics that are translated using current (as opposed to historical) rates of exchange can be distorted by large exchange rate fluctuations. For example, the weakening of the U.S. dollar against many currencies from Tax Year 2002 to Tax Year 2004 certainly contributed to the large increases in some of the statistics during that period. The U.S. dollar gen-

erally fluctuated far less against most major currencies between Tax Year 2004 and Tax Year 2006 than it had between Tax Year 2002 and Tax Year 2004.

Caution should also be used when comparing data by industrial groupings. Beginning with Tax Year 1998, CFCs were classified under the North American Industry Classification System (NAICS), which differs from the Standard Industrial Classification (SIC) system used before Tax Year 1998. While most industries were not affected by the implementation of NAICS, the groupings of some economic activities were changed. The most significant change was the movement of the management of companies and enterprises sector from finance, insurance, and real estate under the SIC system to the services sector under NAICS. Furthermore, CFCs were classified by industry based on their principal business activity as reported on Form 5471. However, assets, receipts, and profits may have also been related to secondary business activities. It is not possible to measure the extent of these secondary business activities due to these activities not being detailed on Form 5471.

The data reported on Form 5471 generally represent the financial information of each foreign corporation and not the amounts attributable to the U.S. shareholder filing the Form 5471. Data reported on Form 5471, Schedule I are the exception to this general rule. The Subpart F income and dividends received reported on Schedule I represent the amount of foreign dividends taxable to the U.S. shareholder filing the Form 5471.

The foreign disregarded entity data cited in this article are reported on Form 8858, *Information Return of U.S. Persons With Respect to Foreign Disregarded Entities*. The FDE data in this article pertain only to active FDEs that are owned by controlled foreign corporations. Data attributable to inactive FDEs and FDEs that are owned by foreign partnerships or U.S. entities are excluded from the statistics in this article. The sampling procedures used for Forms 8858 mirror those described above for Forms 5471.

As mentioned above, the tax owners of FDEs are treated as owning all FDE assets and liabilities. Consequently, CFCs that are tax owners of FDEs include the earnings and profits of their FDEs in their current E&P. To the extent that FDEs are incor-

<sup>7</sup> Based on unpublished data.

<sup>8</sup> See Statistics of Income, *Corporation Income Tax Returns, 2006* for a more complete description of the SOI Corporate sample. The SOI Corporate sample is the basis for the SOI Controlled Foreign Corporation sample. In other words, the Controlled Foreign Corporation sample includes every Form 5471 filed by each corporation in the SOI Corporate sample.

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Figure F

## Foreign Disregarded Entities Incorporated in Different Countries than Their Controlled Foreign Corporation Tax Owners: Number of Foreign Disregarded Entities and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Country of Incorporation of Foreign Disregarded Entity, Tax Year 2006

[Money amounts are in thousands of dollars]

| Selected country of incorporation of foreign disregarded entity | Number of foreign disregarded entities | Current earnings and profits (less deficit) after income taxes |
|---|--|--|
| <b>All geographic regions</b>                                   | <b>8,775</b>                           | <b>55,335,169</b>  |
| <b>Selected countries, total</b>                                | <b>6,083</b>                           | <b>49,522,842</b>  |
| Ireland   | 270                                    | 10,214,405   |
| Netherlands   | 590                                    | 7,206,032  |
| Switzerland   | 164                                    | 4,804,836  |
| United Kingdom and Northern Ireland (including Gibraltar)       | 964                                    | 4,076,307  |
| Singapore   | 226                                    | 3,329,664  |
| Cayman Islands  | 228                                    | 3,279,003  |
| China   | 469                                    | 2,588,331  |
| Hong Kong   | 264                                    | 1,621,743  |
| Jersey  | 54                                     | 1,608,330  |
| Germany   | 720                                    | 1,204,497  |
| Portugal (including Azores)                                     | 60                                     | 986,244  |
| Mexico  | 162                                    | 886,384  |
| Denmark   | 127                                    | 837,528  |
| Bermuda   | 90                                     | 824,063  |
| Brazil  | 155                                    | 823,869  |
| Malaysia  | 91                                     | 822,651  |
| Canada  | 111                                    | 729,186  |
| Slovakia  | 32                                     | 570,603  |
| Hungary   | 89                                     | 493,075  |
| Australia   | 247                                    | 425,205  |
| Barbados  | 32                                     | 396,223  |
| Bahamas   | 16                                     | 378,391  |
| Luxembourg  | 244                                    | 376,596  |
| Costa Rica  | 21                                     | 368,820  |
| Japan (including Okinawa and Ryukyu Islands)                    | 40                                     | 365,126  |
| Italy   | 328                                    | 331,585  |
| Norway  | 88                                     | 317,583  |
| Belgium   | 200                                    | -343,437   |

porated in different countries than their tax owners, the geographic statistics for CFCs presented in this article may misrepresent, to some degree, the true geographic source of these earnings and profits. For Tax Year 2006, 63.8 percent of FDEs owned by CFCs were incorporated in a different country than their tax owner. These FDEs accounted for 46.5 percent of the assets and 51.6 percent of the E&P (less deficit) after income taxes reported by FDEs with tax owners that

are CFCs. Figure F presents selected geographic data for FDEs incorporated in countries different than their tax owners. For Tax Year 2006, \$55.3 billion of E&P (less deficit) after income taxes reported by CFCs were earned by FDEs outside of the CFCs' country of incorporation. Table 4 shows CFC data attributable to FDEs by FDE country within CFC country.

Similarly, the industrial data presented in this article may be somewhat distorted because FDEs may have different industry codes than the CFCs that own them. Table 5 shows CFC data attributable to FDEs by FDE industrial sector within CFC industrial sector. For Tax Year 2006, 47.5 percent of FDEs operated in a different industrial sector than their CFC owners. These FDEs accounted for 42.7 percent of the assets and 46.2 percent of the E&P (less deficit) after income taxes reported by all CFC-owned foreign disregarded entities. For Tax Year 2006, 23.7 percent of the E&P (less deficit) after income taxes for CFCs in the distribution and transportation of goods sector were attributable to FDEs operating in a different industrial sector. Similarly, 21.5 percent of the E&P (less deficit) after income taxes reported by CFCs in the services sector were attributable to FDEs classified in a different industrial sector.

### Explanation of Selected Terms

*Active versus inactive controlled foreign corporations*—In general, a foreign corporation was considered “active” if earnings and profits, income taxes, receipts, expenses, distributions of E&P, or certain transactions between the foreign corporation and its subsidiaries or majority shareholder were reported on Form 5471, *Information Return of U.S. Persons with Respect to Certain Foreign Corporations*. The filing of Form 5471 was required even if a CFC was dormant or inactive for Tax Year 2006. Only data from active CFCs are included in the statistics in this article, unless otherwise noted.

*Average tax rate*—For purposes of this article, the average tax rate is defined as income tax divided by E&P (less deficit) before income taxes.

*Controlled foreign corporation*—Section 957 of the Internal Revenue Code defines a foreign corporation as being “controlled” if more than 50 percent of the total combined voting power of all classes of stock of such corporation entitled to vote, or more than 50 percent of the value of all its outstanding

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stock, is owned (directly, indirectly, or constructively) by U.S. shareholders on any day during the foreign corporation's tax year. A U.S. shareholder for purposes of determining control is defined as a "U.S. person" (see definition below) owning 10 percent or more of the foreign corporation's voting stock. For purposes of these statistics, a foreign corporation was "controlled" only if a single U.S. corporation satisfied the ownership requirements for an uninterrupted period of at least 30 days. These are the only foreign corporations for which complete Form 5471 filings are required. U.S. corporations may also control a CFC through a partnership where the U.S. corporation is the controlling partner. To the extent possible, these CFCs have also been included in these statistics.

*Country of incorporation*—The country of incorporation is the country under whose laws the CFC is legally created. The CFC's country of incorporation is not necessarily the principal place of business. For Tax Year 2006, 1,532 CFCs (2.0 percent) reported a principal place of business that differed from the reported country of incorporation. Tables 2 and 3 provide data by country of incorporation; data by principal place of business are not included in these statistics.

*Current earnings and profits*—"Current earnings and profits" represent the difference between total earnings and profits of the foreign corporation at the end of the current year (before reduction by dividends paid during the year) and the accumulated earnings and profits of the corporation at the beginning of the year. Although current earnings and profits typically are an after-tax measure of profits, they are shown in these statistics both before and after taxes. "Earnings and profits" is a tax concept referring to the economic capacity of a corporation to make a distribution to shareholders that is not a return on capital. The term "earnings and profits" is not specifically defined in the Internal Revenue Code. In those instances where current earnings and profits were not reported for the foreign corporation, net income per books was used in place of missing earnings and profits.

*Distributions out of earnings and profits*—A distribution comes first from current earnings and profits and then from accumulated earnings and profits.

*Income taxes*—CFCs reported income, war profits, and excess profits taxes paid or accrued to any foreign country or U.S. Possession as income tax for their annual accounting period.

*OPEC countries*—The member countries of the Organization of Petroleum Exporting Countries for Tax Year 2006 were: Algeria, Angola, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

*Previously taxed earnings and profits*—This includes any earnings and profit amounts that were subject to U.S. tax in the current year or in a prior year, but not distributed. Previously taxed earnings and profits include amounts related to Subpart F income (see definition below), earnings related to investments in certain U.S. property, previously excluded Subpart F income withdrawn from qualified investments, previously excluded export trade income withdrawn from investment in export trade assets, factoring income, and earnings invested in excess passive assets.

*Subpart F income*—Internal Revenue Code sections 951 and 952 stipulate specific cases in which earnings and profits are deemed to have been paid by a CFC to a U.S. shareholder. Such income is subject to U.S. tax whether or not it is repatriated to U.S. shareholders in the form of an actual dividend. Internal Revenue Code section 951 requires that U.S. shareholders include in their gross incomes certain undistributed profits of foreign corporations controlled by U.S. shareholders. Subpart F income from a CFC includes certain insurance income of U.S. risks, "foreign base company" income, international boycott participation income, bribes and other illegal payments to foreign government officials, and income from any country which the United States does not recognize or with which it has severed relations, or which repeatedly provides support for acts of international terrorism.

*Total receipts*—Total receipts equal business receipts (gross receipts from sales and operations) plus income from investment activity. In the statistics reported prior to 1990, "business receipts" were used to describe the larger of "gross receipts from sales and operations" and "total income." The latter is a tax return concept used to describe the sum of business receipts less cost of sales and operations (i.e., gross profit), plus income (less loss) from investments.

*U.S. person*—A U.S. person can be a U.S. citizen or resident individual, a domestic partnership, a domestic corporation, or an estate or trust (other than a foreign estate or trust whose income from sources outside the United States is not includable in the beneficiaries' gross income).

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                      |                       |                      |   |
|---|--|---------------------------------|----------------------|-----------------------|----------------------|---|
|   |  | Number of foreign corporations  | Total assets         |                       | Total receipts       | Current earnings and profits (less deficit) before income taxes |
|   |  |                                 | Beginning of year    | End of year           |                      |   |
|   | (1)                                    | (2)                             | (3)                  | (4)                   | (5)                  | (6)   |
| <b>All industries</b>   | <b>11,873</b>                          | <b>78,249</b>                   | <b>9,809,404,944</b> | <b>11,666,004,281</b> | <b>4,819,870,637</b> | <b>509,527,961</b>  |
| <b>Raw materials and energy production</b>  | <b>458</b>                             | <b>2,502</b>                    | <b>339,159,158</b>   | <b>406,666,989</b>    | <b>231,754,208</b>   | <b>64,077,207</b>   |
| Agriculture, forestry, and fishing  | 122                                    | 432                             | 7,571,063            | 8,990,068             | 8,373,384            | 668,359   |
| Mining  | 240                                    | 1,667                           | 264,278,690          | 334,796,592           | 182,128,952          | 56,920,232  |
| Oil and gas extraction  | 123                                    | 1,120                           | 222,961,489          | 283,001,561           | 153,987,654          | 49,759,276  |
| Mining (except oil and gas)   | 76                                     | 265                             | 29,256,576           | 38,280,273            | 17,334,703           | 5,144,350   |
| Support activities for mining   | 72                                     | 282                             | 12,060,625           | 13,514,758            | 10,806,596           | 2,016,606   |
| Utilities   | 121                                    | 402                             | 67,309,404           | 62,880,328            | 41,251,872           | 6,488,616   |
| <b>Goods production</b>   | <b>4,137</b>                           | <b>19,917</b>                   | <b>1,559,297,877</b> | <b>1,707,725,994</b>  | <b>1,878,079,547</b> | <b>142,386,654</b>  |
| Construction  | 154                                    | 686                             | 14,928,515           | 16,885,749            | 22,435,556           | 2,046,245   |
| Construction of buildings   | 38                                     | 74                              | 2,610,988            | 3,050,655             | 4,009,452            | 317,690   |
| Heavy and civil engineering construction  | 42                                     | 105                             | 1,337,799            | 1,699,571             | 1,666,502            | 153,778   |
| Specialty trade contractors   | 89                                     | 506                             | 10,979,728           | 12,135,523            | 16,759,602           | 1,574,777   |
| Manufacturing   | 4,023                                  | 19,231                          | 1,544,369,363        | 1,690,840,245         | 1,855,643,991        | 140,340,409   |
| Food manufacturing  | 155                                    | 953                             | 96,001,220           | 98,385,097            | 112,029,756          | 6,936,597   |
| Beverage and tobacco product manufacturing  | 51                                     | 397                             | 93,994,892           | 108,662,588           | 104,271,874          | 11,538,203  |
| Beverage manufacturing  | 45                                     | 335                             | 75,030,989           | 86,523,767            | 58,121,258           | 8,073,363   |
| Tobacco manufacturing   | 8                                      | 62                              | 18,963,902           | 22,138,821            | 46,150,616           | 3,464,840   |
| Textile mills and textile product mills   | 43                                     | 112                             | 5,243,255            | 5,678,997             | 4,833,864            | 191,036   |
| Apparel manufacturing   | 99                                     | 342                             | 6,880,445            | 7,199,889             | 10,253,847           | 732,881   |
| Leather and allied product manufacturing  | 40                                     | 71                              | 1,080,754            | 1,452,982             | 2,722,952            | 221,071   |
| Wood product manufacturing  | 47                                     | 120                             | 5,017,779            | 5,057,504             | 5,453,328            | 138,487   |
| Paper manufacturing   | 78                                     | 441                             | 42,304,291           | 38,536,718            | 32,820,748           | 746,835   |
| Printing and related support activities   | 87                                     | 284                             | 6,628,759            | 8,579,435             | 6,588,841            | 377,503   |
| Petroleum and coal products manufacturing   | 43                                     | 166                             | 68,353,464           | 78,086,802            | 147,509,774          | 6,627,209   |
| Chemical manufacturing  | 402                                    | 2,995                           | 377,619,159          | 367,302,944           | 272,017,619          | 36,340,741  |
| Basic chemical manufacturing  | 82                                     | 706                             | 47,563,043           | 54,427,946            | 42,281,121           | 3,504,062   |
| Pharmaceutical and medicine manufacturing   | 106                                    | 461                             | 145,324,671          | 167,313,249           | 114,296,840          | 23,783,246  |
| Soap, cleaning compound, and toilet preparation manufacturing                         | 42                                     | 338                             | 20,896,071           | 23,374,212            | 25,043,745           | 2,783,643   |
| Other chemical manufacturing  | 232                                    | 1,489                           | 163,835,374          | 122,187,536           | 90,395,913           | 6,269,791   |
| Plastics and rubber products manufacturing  | 377                                    | 997                             | 48,027,308           | 49,156,113            | 45,135,859           | 2,345,083   |
| Plastics products manufacturing   | 332                                    | 811                             | 34,374,168           | 33,980,538            | 26,772,266           | 1,359,291   |
| Rubber products manufacturing   | 49                                     | 186                             | 13,653,140           | 15,175,576            | 18,363,593           | 985,792   |
| Nonmetallic mineral product manufacturing   | 91                                     | 286                             | 34,294,258           | 39,309,463            | 24,284,882           | 3,760,292   |
| Primary metal manufacturing   | 130                                    | 306                             | 30,213,443           | 38,656,751            | 37,333,046           | 4,727,125   |
| Fabricated metal product manufacturing  | 427                                    | 1,462                           | 43,546,851           | 53,302,167            | 48,213,279           | 3,352,753   |
| Machinery manufacturing   | 412                                    | 1,649                           | 53,356,243           | 65,552,317            | 72,067,981           | 4,386,800   |
| Computer and electronic product manufacturing   | 745                                    | 2,354                           | 184,230,874          | 194,119,308           | 281,975,119          | 23,767,883  |
| Communications equipment manufacturing  | 136                                    | 649                             | 33,936,328           | 38,405,752            | 61,322,150           | 3,450,110   |
| Semiconductor and other electronic component manufacturing                            | 308                                    | 921                             | 63,449,829           | 73,980,091            | 102,541,455          | 11,442,045  |
| Other computer and electronic manufacturing   | 341                                    | 784                             | 86,844,717           | 81,733,464            | 118,111,514          | 8,875,728   |
| Electric equipment, appliance, and component manufacturing                            | 495                                    | 1,633                           | 58,819,465           | 75,600,814            | 79,844,740           | 5,479,795   |
| Transportation equipment manufacturing  | 275                                    | 1,524                           | 249,437,092          | 260,543,816           | 393,960,912          | 7,055,979   |
| Motor vehicle, vehicle body and trailer, and vehicle parts manufacturing              | 198                                    | 1,213                           | 232,178,161          | 238,180,046           | 375,747,279          | 5,680,199   |
| Other transportation equipment manufacturing  | 103                                    | 311                             | 17,258,930           | 22,363,770            | 18,213,633           | 1,375,780   |
| Furniture and related product manufacturing   | 43                                     | 123                             | 3,242,930            | 3,485,087             | 4,148,460            | 136,958   |
| Miscellaneous manufacturing   | 919                                    | 3,016                           | 136,076,880          | 192,171,454           | 170,177,110          | 21,477,180  |
| Medical and equipment supplies manufacturing  | 250                                    | 827                             | 42,239,677           | 52,595,704            | 42,480,774           | 6,747,089   |
| Other miscellaneous manufacturing   | 700                                    | 2,189                           | 93,837,204           | 139,575,750           | 127,696,336          | 14,730,091  |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                      |                      |                      | Current earnings and profits (less deficit) before income taxes |
|---|--|---------------------------------|----------------------|----------------------|----------------------|---|
|   |  | Number of foreign corporations  | Total assets         |                      | Total receipts       |   |
|   |  |                                 | Beginning of year    | End of year          |                      |   |
|   | (1)                                    | (2)                             | (3)                  | (4)                  | (5)                  | (6)   |
| <b>Distribution and transportation of goods</b>                                       | <b>3,221</b>                           | <b>16,191</b>                   | <b>780,229,045</b>   | <b>843,280,710</b>   | <b>1,264,349,512</b> | <b>69,134,073</b>   |
| Wholesale and retail trade  | 2,968                                  | 14,653                          | 744,287,970          | 801,991,073          | 1,212,134,708        | 65,276,958  |
| Wholesale trade   | 2,367                                  | 12,513                          | 589,686,137          | 633,571,900          | 856,780,202          | 52,478,956  |
| Motor vehicle and motor vehicle parts and supplies wholesalers                        | 124                                    | 489                             | 15,189,416           | 17,631,265           | 34,793,455           | 556,239   |
| Professional and commercial equipment and supplies wholesalers                        | 102                                    | 402                             | 8,254,340            | 19,373,783           | 11,136,231           | 1,211,874   |
| Electrical and electronic goods wholesalers   | 352                                    | 1,558                           | 44,198,773           | 50,370,521           | 85,220,159           | 3,054,131   |
| Machinery, equipment, and supplies wholesalers  | 350                                    | 1,662                           | 34,684,560           | 42,437,109           | 60,070,753           | 5,069,469   |
| Drugs and druggists' sundries wholesalers   | 87                                     | 644                             | 185,453,605          | 168,007,723          | 100,791,021          | 11,508,591  |
| Apparel, piece goods, and notions wholesalers   | 116                                    | 396                             | 6,409,375            | 10,776,852           | 10,146,338           | 1,050,149   |
| Grocery and related product wholesalers   | 88                                     | 370                             | 13,632,554           | 19,484,269           | 26,406,344           | 2,613,474   |
| Chemical and allied products wholesalers  | 164                                    | 850                             | 21,647,426           | 22,945,371           | 35,238,462           | 1,778,367   |
| Petroleum and petroleum products wholesalers  | 37                                     | 315                             | 99,848,218           | 90,832,644           | 217,225,137          | 7,662,412   |
| Other wholesale trade   | 1,281                                  | 5,827                           | 160,367,870          | 191,712,363          | 275,752,302          | 17,974,253  |
| Retail trade  | 761                                    | 2,140                           | 154,601,833          | 168,419,172          | 355,354,506          | 12,798,002  |
| Motor vehicle dealers and parts dealers   | 42                                     | 167                             | 5,440,892            | 7,082,965            | 19,489,971           | 292,116   |
| Electronics and appliance stores  | 67                                     | 188                             | 4,248,483            | 5,727,485            | 10,737,748           | 166,760   |
| Building materials and garden equipment and supplies dealers                          | 26                                     | 131                             | 6,104,184            | 5,992,833            | 7,984,051            | 463,550   |
| Food and beverage stores  | 31                                     | 54                              | 3,207,055            | 3,486,740            | 10,349,385           | 369,643   |
| Health and personal care stores   | 270                                    | 351                             | 4,041,062            | 3,541,779            | 4,910,180            | 282,932   |
| Clothing and clothing accessories stores  | 54                                     | 149                             | 6,331,955            | 6,804,818            | 12,229,278           | 1,086,907   |
| General merchandise stores  | 15                                     | 73                              | 66,077,581           | 63,932,084           | 104,941,850          | 2,024,375   |
| Electronic shopping and mail-order houses   | 45                                     | 116                             | 3,317,006            | 9,255,139            | 6,610,185            | 407,382   |
| Other retailers   | 256                                    | 911                             | 55,833,616           | 62,595,328           | 178,101,859          | 7,704,337   |
| Transportation and warehousing  | 354                                    | 1,538                           | 35,941,075           | 41,289,637           | 52,214,804           | 3,857,115   |
| Air transportation  | 27                                     | 117                             | 3,463,381            | 4,822,168            | 5,227,961            | 374,456   |
| Water transportation  | 54                                     | 191                             | 9,274,103            | 9,088,972            | 8,077,098            | 1,674,947   |
| Truck transportation  | 42                                     | 160                             | 2,180,347            | 2,258,181            | 4,553,033            | 90,299  |
| Support activities for transportation   | 163                                    | 662                             | 10,260,138           | 13,165,851           | 22,403,502           | 1,091,540   |
| Other transportation  | 50                                     | 197                             | 8,327,629            | 9,008,802            | 7,728,269            | 457,177   |
| Warehousing and storage   | 93                                     | 212                             | 2,435,478            | 2,945,663            | 4,224,941            | 168,697   |
| <b>Information</b>  | <b>964</b>                             | <b>4,551</b>                    | <b>233,910,650</b>   | <b>229,525,818</b>   | <b>109,640,278</b>   | <b>9,209,518</b>  |
| Publishing industries   | 328                                    | 1,247                           | 26,907,389           | 31,522,065           | 21,324,374           | 2,629,984   |
| Newspaper, periodical, book and directory publishers                                  | 95                                     | 732                             | 20,772,126           | 23,392,407           | 11,351,532           | 1,012,087   |
| Software publishers   | 238                                    | 515                             | 6,135,264            | 8,129,659            | 9,972,842            | 1,617,897   |
| Motion picture and sound recording industries   | 58                                     | 857                             | 65,670,735           | 40,845,652           | 24,049,511           | 2,181,487   |
| Broadcasting (except internet)  | 38                                     | 297                             | 14,596,762           | 17,136,091           | 7,935,439            | -11,771   |
| Internet publishing and broadcasting  | 25                                     | 57                              | 531,865              | 74,900               | 192,224              | -3,877  |
| Telecommunications  | 224                                    | 1,015                           | 107,306,238          | 113,934,279          | 36,892,363           | 1,340,215   |
| Internet service providers, web search portals, and data processing services          | 228                                    | 498                             | 12,944,459           | 18,194,596           | 12,536,881           | 2,374,835   |
| Other information services  | 168                                    | 579                             | 5,953,201            | 7,818,235            | 6,709,485            | 698,645   |
| <b>Finance, insurance, real estate, and rental and leasing</b>                        | <b>2,205</b>                           | <b>9,828</b>                    | <b>4,473,698,313</b> | <b>5,681,910,503</b> | <b>513,377,523</b>   | <b>94,022,146</b>   |
| Finance and insurance   | 1,288                                  | 7,011                           | 4,324,088,468        | 5,504,038,029        | 477,314,006          | 88,555,654  |
| Credit intermediation and related activities  | 291                                    | 1,374                           | 1,017,103,951        | 1,277,395,676        | 104,731,256          | 26,382,544  |
| Depository credit intermediation  | 39                                     | 161                             | 419,524,158          | 570,946,487          | 36,097,455           | 9,982,496   |
| Nondepository credit intermediation   | 221                                    | 964                             | 543,168,194          | 632,786,136          | 59,024,705           | 14,877,291  |
| Activities related to credit intermediation   | 77                                     | 249                             | 54,411,600           | 73,663,053           | 9,609,097            | 1,522,757   |
| Securities, commodity contracts, and other financial investments and related products | 706                                    | 3,122                           | 2,337,421,249        | 3,141,809,656        | 213,746,387          | 36,880,615  |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                      |                      |                    |   |
|---|--|---------------------------------|----------------------|----------------------|--------------------|---|
|   |  | Number of foreign corporations  | Total assets         |                      | Total receipts     | Current earnings and profits (less deficit) before income taxes |
|   |  |                                 | Beginning of year    | End of year          |                    |   |
|   | (1)                                    | (2)                             | (3)                  | (4)                  | (5)                | (6)   |
| <b>Finance, insurance, real estate, and rental and leasing—continued</b>              |  |                                 |                      |                      |                    |   |
| Insurance carriers and related activities   | 444                                    | 1,813                           | 502,027,367          | 566,329,114          | 116,866,070        | 16,306,898  |
| Insurance carriers  | 182                                    | 459                             | 367,216,128          | 422,188,025          | 84,770,876         | 10,018,746  |
| Agencies, brokerages, and other insurance related activities                          | 338                                    | 1,354                           | 134,811,239          | 144,141,089          | 32,095,194         | 6,288,152   |
| Funds, trusts, and other financial activities   | 211                                    | 702                             | 467,535,900          | 518,503,584          | 41,970,293         | 8,985,597   |
| Real estate and rental and leasing  | 1,146                                  | 2,817                           | 149,609,845          | 177,872,474          | 36,063,517         | 5,466,492   |
| Rental and leasing services   | 458                                    | 880                             | 88,372,227           | 106,262,681          | 20,125,754         | 2,095,651   |
| Commercial and industrial machinery and equipment rental and leasing                  | 146                                    | 455                             | 75,472,604           | 90,137,215           | 9,859,494          | 1,457,609   |
| Other rental and leasing services   | 316                                    | 425                             | 12,899,623           | 16,125,466           | 10,266,260         | 638,042   |
| Other real estate and rental and leasing  | 726                                    | 1,937                           | 61,237,618           | 71,609,792           | 15,937,763         | 3,370,841   |
| <b>Services</b>   | <b>5,107</b>                           | <b>25,039</b>                   | <b>2,422,617,468</b> | <b>2,796,140,314</b> | <b>822,329,696</b> | <b>130,729,761</b>  |
| Professional, scientific, and technical services                                      | 3,376                                  | 14,414                          | 329,445,458          | 392,231,546          | 325,073,544        | 30,561,622  |
| Architectural, engineering, and related services                                      | 295                                    | 874                             | 8,821,250            | 11,499,437           | 14,733,593         | 1,161,898   |
| Computer system design and related services   | 1,330                                  | 4,958                           | 180,106,328          | 223,114,967          | 164,586,215        | 17,633,166  |
| Custom computer programming services  | 364                                    | 679                             | 2,138,759            | 2,624,916            | 2,917,243          | 172,054   |
| Computer systems design services  | 229                                    | 597                             | 26,323,282           | 54,215,234           | 15,180,168         | 2,543,935   |
| Other computer system design and related services                                     | 829                                    | 3,682                           | 151,644,287          | 166,274,817          | 146,488,803        | 14,917,176  |
| Management, scientific, and technical consulting services                             | 397                                    | 1,061                           | 23,691,929           | 28,357,507           | 21,385,554         | 2,518,372   |
| Scientific research and development services  | 502                                    | 877                             | 6,875,720            | 9,133,214            | 6,003,767          | -93,526   |
| Advertising and related services  | 234                                    | 2,513                           | 43,142,355           | 38,845,177           | 45,126,346         | 2,483,152   |
| Other professional, scientific, and technical services                                | 1,207                                  | 4,131                           | 66,807,876           | 81,281,244           | 73,238,070         | 6,858,560   |
| Management of companies and enterprises   | 1,891                                  | 6,413                           | 1,975,970,033        | 2,257,477,081        | 400,870,739        | 93,275,074  |
| Administration and support and waste management and remediation services              | 602                                    | 1,780                           | 37,602,765           | 47,621,627           | 43,159,640         | 3,112,615   |
| Educational services  | 43                                     | 236                             | 3,688,251            | 6,499,038            | 2,563,845          | 206,898   |
| Health care and social assistance   | 92                                     | 298                             | 6,004,179            | 7,096,125            | 3,173,595          | 194,935   |
| Arts, entertainment, and recreation   | 124                                    | 448                             | 6,931,134            | 9,498,425            | 4,552,881          | 82,725  |
| Accommodation and food services   | 99                                     | 682                             | 36,272,867           | 42,929,134           | 26,843,858         | 2,029,986   |
| Other services (except public administration)   | 194                                    | 769                             | 26,702,781           | 32,787,337           | 16,091,594         | 1,265,907   |
| <b>Nature of business not allocable</b>   | <b>139</b>                             | <b>222</b>                      | <b>492,433</b>       | <b>753,954</b>       | <b>339,873</b>     | <b>-31,398</b>  |

Footnotes at end of table.

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations |  |  |                   |   |
|---|---------------------------------|--|--|-------------------|---|
|   | Income taxes                    | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                   |   |
|   |                                 |  | Current earnings and profits before income taxes                               | Income taxes      | Current earnings and profits after income taxes |
|   | (7)                             | (8)  | (9)  | (10)              | (11)  |
| <b>All industries</b>   | <b>98,616,121</b>               | <b>410,911,841</b>   | <b>587,825,240</b>   | <b>96,589,279</b> | <b>491,235,961</b>                              |
| <b>Raw materials and energy production</b>  | <b>21,376,094</b>               | <b>42,701,113</b>  | <b>68,518,529</b>  | <b>21,346,450</b> | <b>47,172,079</b>                               |
| Agriculture, forestry, and fishing  | 123,716                         | 544,643  | 834,911  | 118,702           | 716,209   |
| Mining  | 20,082,388                      | 36,837,844   | 60,823,263   | 20,025,972        | 40,797,291                                      |
| Oil and gas extraction  | 18,533,779                      | 31,225,498   | 52,517,985   | 18,483,396        | 34,034,589                                      |
| Mining (except oil and gas)   | 1,131,313                       | 4,013,036  | 6,052,703  | 1,127,282         | 4,925,421                                       |
| Support activities for mining   | 417,296                         | 1,599,310  | 2,252,575  | 415,294           | 1,837,280                                       |
| Utilities   | 1,169,990                       | 5,318,626  | 6,860,355  | 1,201,775         | 5,658,579                                       |
| <b>Goods production</b>   | <b>25,320,580</b>               | <b>117,066,073</b>   | <b>164,109,560</b>   | <b>25,213,725</b> | <b>138,895,835</b>                              |
| Construction  | 519,728                         | 1,526,516  | 2,261,412  | 493,255           | 1,768,157                                       |
| Construction of buildings   | 83,647                          | 234,042  | 346,108  | 81,710            | 264,398   |
| Heavy and civil engineering construction  | 38,467                          | 115,311  | 172,285  | 38,045            | 134,240   |
| Specialty trade contractors   | 397,614                         | 1,177,163  | 1,743,019  | 373,500           | 1,369,518                                       |
| Manufacturing   | 24,800,852                      | 115,539,557  | 161,848,148  | 24,720,470        | 137,127,678                                     |
| Food manufacturing  | 1,904,108                       | 5,032,489  | 7,824,009  | 1,864,137         | 5,959,873                                       |
| Beverage and tobacco product manufacturing  | 2,154,666                       | 9,383,538  | 11,921,038   | 2,093,959         | 9,827,080                                       |
| Beverage manufacturing  | 1,131,526                       | 6,941,837  | 8,414,409  | 1,075,306         | 7,339,103                                       |
| Tobacco manufacturing   | 1,023,139                       | 2,441,701  | 3,506,629  | 1,018,653         | 2,487,976                                       |
| Textile mills and textile product mills   | 70,762                          | 120,274  | 308,789  | 69,537            | 239,251   |
| Apparel manufacturing   | 101,209                         | 631,672  | 845,275  | 98,573            | 746,701   |
| Leather and allied product manufacturing  | 55,337                          | 165,734  | 244,889  | 54,454            | 190,435   |
| Wood product manufacturing  | 50,539                          | 87,948   | 286,243  | 47,883            | 238,359   |
| Paper manufacturing   | 542,403                         | 204,431  | 2,141,876  | 584,155           | 1,557,721                                       |
| Printing and related support activities   | 90,023                          | 287,480  | 546,620  | 93,850            | 452,771   |
| Petroleum and coal products manufacturing   | 1,577,430                       | 5,049,779  | 6,820,727  | 1,570,351         | 5,250,376                                       |
| Chemical manufacturing  | 5,255,469                       | 31,085,272   | 39,172,904   | 5,048,263         | 34,124,641                                      |
| Basic chemical manufacturing  | 984,849                         | 2,519,212  | 4,258,128  | 968,530           | 3,289,597                                       |
| Pharmaceutical and medicine manufacturing   | 2,004,589                       | 21,778,657   | 24,444,935   | 1,892,051         | 22,552,884                                      |
| Soap, cleaning compound, and toilet preparation manufacturing                         | 832,437                         | 1,951,206  | 2,907,781  | 807,994           | 2,099,787                                       |
| Other chemical manufacturing  | 1,433,594                       | 4,836,197  | 7,562,061  | 1,379,688         | 6,182,373                                       |
| Plastics and rubber products manufacturing  | 616,377                         | 1,728,707  | 3,086,792  | 574,238           | 2,512,553                                       |
| Plastics products manufacturing   | 372,393                         | 986,898  | 1,889,974  | 332,677           | 1,557,297                                       |
| Rubber products manufacturing   | 243,983                         | 741,808  | 1,196,817  | 241,561           | 955,256   |
| Nonmetallic mineral product manufacturing   | 862,084                         | 2,898,209  | 4,138,570  | 854,326           | 3,284,244                                       |
| Primary metal manufacturing   | 985,153                         | 3,741,972  | 5,138,894  | 982,006           | 4,156,888                                       |
| Fabricated metal product manufacturing  | 921,109                         | 2,431,644  | 4,110,799  | 894,493           | 3,216,306                                       |
| Machinery manufacturing   | 1,265,239                       | 3,121,561  | 5,780,184  | 1,241,198         | 4,538,985                                       |
| Computer and electronic product manufacturing   | 2,313,612                       | 21,454,271   | 26,043,852   | 2,211,639         | 23,832,213                                      |
| Communications equipment manufacturing  | 468,590                         | 2,981,520  | 4,168,390  | 444,643           | 3,723,746                                       |
| Semiconductor and other electronic component manufacturing                            | 1,202,502                       | 10,239,543   | 12,413,801   | 1,180,702         | 11,233,098                                      |
| Other computer and electronic manufacturing   | 642,520                         | 8,233,208  | 9,461,662  | 586,294           | 8,875,368                                       |
| Electric equipment, appliance, and component manufacturing                            | 926,650                         | 4,553,145  | 6,694,748  | 1,051,290         | 5,643,457                                       |
| Transportation equipment manufacturing  | 2,174,822                       | 4,881,156  | 13,535,940   | 2,480,563         | 11,055,377                                      |
| Motor vehicle, vehicle body and trailer, and vehicle parts manufacturing              | 1,750,873                       | 3,929,326  | 11,975,264   | 2,059,927         | 9,915,337                                       |
| Other transportation equipment manufacturing  | 423,950                         | 951,830  | 1,560,676  | 420,636           | 1,140,040                                       |
| Furniture and related product manufacturing   | 32,687                          | 104,271  | 236,714  | 32,925            | 203,789   |
| Miscellaneous manufacturing   | 2,901,175                       | 18,576,005   | 22,969,286   | 2,872,628         | 20,096,658                                      |
| Medical and equipment supplies manufacturing  | 837,402                         | 5,909,687  | 7,172,539  | 826,607           | 6,345,932                                       |
| Other miscellaneous manufacturing   | 2,063,773                       | 12,666,318   | 15,796,748   | 2,046,022         | 13,750,726                                      |

Footnotes at end of table.

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations |  |  |                   |   |
|---|---------------------------------|--|--|-------------------|---|
|   | Income taxes                    | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                   |   |
|   |                                 |  | Current earnings and profits before income taxes                               | Income taxes      | Current earnings and profits after income taxes |
|   | (7)                             | (8)  | (9)  | (10)              | (11)  |
| <b>Distribution and transportation of goods</b>                                       | <b>14,266,863</b>               | <b>54,867,210</b>  | <b>76,923,844</b>  | <b>13,927,759</b> | <b>62,996,084</b>                               |
| Wholesale and retail trade  | 13,583,472                      | 51,693,486   | 72,416,741   | 13,252,631        | 59,164,110                                      |
| Wholesale trade   | 10,142,478                      | 42,336,479   | 57,572,437   | 9,847,442         | 47,724,995                                      |
| Motor vehicle and motor vehicle parts and supplies wholesalers                        | 450,101                         | 106,138  | 1,164,273  | 329,117           | 835,156   |
| Professional and commercial equipment and supplies wholesalers                        | 212,612                         | 999,262  | 1,298,519  | 211,351           | 1,087,168                                       |
| Electrical and electronic goods wholesalers   | 818,148                         | 2,235,983  | 3,809,757  | 813,124           | 2,996,633                                       |
| Machinery, equipment, and supplies wholesalers  | 691,711                         | 4,377,757  | 5,382,393  | 675,009           | 4,707,385                                       |
| Drugs and druggists' sundries wholesalers   | 1,583,851                       | 9,924,740  | 11,940,100   | 1,571,285         | 10,368,815                                      |
| Apparel, piece goods, and notions wholesalers   | 289,917                         | 760,232  | 1,146,830  | 235,627           | 911,203   |
| Grocery and related product wholesalers   | 245,884                         | 2,367,590  | 2,763,872  | 243,386           | 2,520,485                                       |
| Chemical and allied products wholesalers  | 404,142                         | 1,374,225  | 1,931,921  | 393,573           | 1,538,349                                       |
| Petroleum and petroleum products wholesalers  | 1,345,059                       | 6,317,352  | 7,972,015  | 1,328,259         | 6,643,756                                       |
| Other wholesale trade   | 4,101,053                       | 13,873,200   | 20,162,758   | 4,046,711         | 16,116,047                                      |
| Retail trade  | 3,440,995                       | 9,357,007  | 14,844,303   | 3,405,189         | 11,439,114                                      |
| Motor vehicle dealers and parts dealers   | 67,018                          | 225,098  | 407,218  | 64,205            | 343,012   |
| Electronics and appliance stores  | 86,315                          | 80,445   | 219,135  | 84,042            | 135,092   |
| Building materials and garden equipment and supplies dealers                          | 200,095                         | 263,455  | 475,042  | 198,195           | 276,847   |
| Food and beverage stores  | 111,771                         | 257,872  | 378,711  | 111,232           | 267,480   |
| Health and personal care stores   | 92,755                          | 190,176  | 353,289  | 92,569            | 260,720   |
| Clothing and clothing accessories stores  | 124,482                         | 962,426  | 1,222,232  | 135,525           | 1,086,707                                       |
| General merchandise stores  | 1,021,294                       | 1,003,081  | 3,102,341  | 1,014,137         | 2,088,204                                       |
| Electronic shopping and mail-order houses   | 125,248                         | 282,134  | 498,957  | 122,459           | 376,498   |
| Other retailers   | 1,612,017                       | 6,092,320  | 8,187,378  | 1,582,823         | 6,604,555                                       |
| Transportation and warehousing  | 683,391                         | 3,173,725  | 4,507,103  | 675,128           | 3,831,975                                       |
| Air transportation  | 78,144                          | 296,311  | 392,538  | 77,449            | 315,089   |
| Water transportation  | 99,980                          | 1,574,968  | 1,739,888  | 98,049            | 1,641,839                                       |
| Truck transportation  | 60,918                          | 29,381   | 211,464  | 57,664            | 153,800   |
| Support activities for transportation   | 276,593                         | 814,947  | 1,357,491  | 275,581           | 1,081,910                                       |
| Other transportation  | 120,465                         | 336,711  | 556,592  | 119,750           | 436,842   |
| Warehousing and storage   | 47,290                          | 121,407  | 249,130  | 46,635            | 202,495   |
| <b>Information</b>  | <b>2,424,566</b>                | <b>6,784,952</b>   | <b>16,854,464</b>  | <b>2,369,998</b>  | <b>14,484,466</b>                               |
| Publishing industries   | 715,813                         | 1,914,171  | 3,207,301  | 692,803           | 2,514,498                                       |
| Newspaper, periodical, book and directory publishers                                  | 388,859                         | 623,228  | 1,378,339  | 366,012           | 1,012,328                                       |
| Software publishers   | 326,954                         | 1,290,943  | 1,828,962  | 326,791           | 1,502,171                                       |
| Motion picture and sound recording industries   | 621,290                         | 1,560,197  | 2,768,096  | 625,465           | 2,142,631                                       |
| Broadcasting (except internet)  | 140,816                         | -152,586   | 1,080,296  | 135,548           | 944,748   |
| Internet publishing and broadcasting  | 6,483                           | -10,360  | 15,423   | 6,348             | 9,074   |
| Telecommunications  | 471,290                         | 868,925  | 6,016,447  | 441,199           | 5,575,248                                       |
| Internet service providers, web search portals, and data processing services          | 278,952                         | 2,095,882  | 2,837,644  | 278,322           | 2,559,322                                       |
| Other information services  | 189,922                         | 508,723  | 929,257  | 190,312           | 738,945   |
| <b>Finance, insurance, real estate, and rental and leasing</b>                        | <b>15,998,194</b>               | <b>78,023,952</b>  | <b>107,432,127</b>   | <b>15,544,141</b> | <b>91,887,985</b>                               |
| Finance and insurance   | 14,862,345                      | 73,693,309   | 100,816,713  | 14,455,380        | 86,361,333                                      |
| Credit intermediation and related activities  | 3,860,639                       | 22,521,905   | 28,441,955   | 3,685,349         | 24,756,606                                      |
| Depository credit intermediation  | 1,577,332                       | 8,405,164  | 10,231,809   | 1,558,890         | 8,672,919                                       |
| Nondepository credit intermediation   | 2,041,458                       | 12,835,833   | 16,323,746   | 1,885,203         | 14,438,543                                      |
| Activities related to credit intermediation   | 241,849                         | 1,280,908  | 1,886,399  | 241,255           | 1,645,144                                       |
| Securities, commodity contracts, and other financial investments and related products | 6,959,038                       | 29,921,577   | 40,306,350   | 6,873,483         | 33,432,867                                      |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations |  |  |                   |   |
|---|---------------------------------|--|--|-------------------|---|
|   | Income taxes                    | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                   |   |
|   |                                 |  | Current earnings and profits before income taxes                               | Income taxes      | Current earnings and profits after income taxes |
|   | (7)                             | (8)  | (9)  | (10)              | (11)  |
| <b>Finance, insurance, real estate, and rental and leasing—continued</b>              |                                 |  |  |                   |   |
| Insurance carriers and related activities   | 3,299,374                       | 13,007,525   | 19,333,834   | 3,189,567         | 16,144,266                                      |
| Insurance carriers  | 2,095,170                       | 7,923,576  | 12,101,184   | 2,014,815         | 10,086,369                                      |
| Agencies, brokerages, and other insurance related activities                          | 1,204,204                       | 5,083,948  | 7,232,650  | 1,174,753         | 6,057,897                                       |
| Funds, trusts, and other financial activities   | 743,295                         | 8,242,302  | 12,734,575   | 706,981           | 12,027,593                                      |
| Real estate and rental and leasing  | 1,135,849                       | 4,330,643  | 6,615,414  | 1,088,761         | 5,526,653                                       |
| Rental and leasing services   | 357,318                         | 1,738,333  | 2,666,896  | 344,427           | 2,322,468                                       |
| Commercial and industrial machinery and equipment rental and leasing                  | 252,367                         | 1,205,242  | 1,795,772  | 246,762           | 1,549,010                                       |
| Other rental and leasing services   | 104,951                         | 533,092  | 871,123  | 97,666            | 773,458   |
| Other real estate and rental and leasing  | 778,531                         | 2,592,310  | 3,948,518  | 744,334           | 3,204,184                                       |
| <b>Services</b>   | <b>19,222,247</b>               | <b>111,507,514</b>   | <b>153,940,881</b>   | <b>18,180,508</b> | <b>135,760,374</b>                              |
| Professional, scientific, and technical services                                      | 6,762,832                       | 23,798,790   | 38,183,528   | 6,616,297         | 31,567,232                                      |
| Architectural, engineering, and related services                                      | 189,364                         | 972,534  | 1,565,728  | 182,464           | 1,383,264                                       |
| Computer system design and related services   | 4,040,420                       | 13,592,746   | 21,421,668   | 3,971,441         | 17,450,226                                      |
| Custom computer programming services  | 42,804                          | 129,250  | 348,524  | 44,956            | 303,568   |
| Computer systems design services  | 290,367                         | 2,253,569  | 3,010,318  | 285,313           | 2,725,006                                       |
| Other computer system design and related services                                     | 3,707,249                       | 11,209,927   | 18,062,825   | 3,641,172         | 14,421,653                                      |
| Management, scientific, and technical consulting services                             | 484,776                         | 2,033,596  | 2,965,312  | 469,410           | 2,495,902                                       |
| Scientific research and development services  | 80,012                          | -173,537   | 632,441  | 70,528            | 561,913   |
| Advertising and related services  | 541,882                         | 1,941,270  | 3,287,832  | 535,841           | 2,751,991                                       |
| Other professional, scientific, and technical services                                | 1,426,379                       | 5,432,181  | 8,310,546  | 1,386,611         | 6,923,935                                       |
| Management of companies and enterprises   | 10,871,410                      | 82,403,664   | 107,079,747  | 10,050,088        | 97,029,659                                      |
| Administration and support and waste management and remediation services              | 669,355                         | 2,443,260  | 3,616,538  | 634,772           | 2,981,766                                       |
| Educational services  | 43,831                          | 163,067  | 297,069  | 37,428            | 259,642   |
| Health care and social assistance   | 54,826                          | 140,109  | 420,126  | 57,025            | 363,101   |
| Arts, entertainment, and recreation   | 84,093                          | -1,368   | 438,018  | 82,743            | 355,274   |
| Accommodation and food services   | 442,858                         | 1,587,128  | 2,329,816  | 424,110           | 1,905,706                                       |
| Other services (except public administration)   | 293,042                         | 972,864  | 1,576,039  | 278,045           | 1,297,994                                       |
| <b>Nature of business not allocable</b>   | <b>7,575</b>                    | <b>-38,974</b>   | <b>45,835</b>  | <b>6,697</b>      | <b>39,137</b>                                   |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations           |   |                                       |  |                        |
|---|---|---|---------------------------------------|--|------------------------|
|   | Distributions out of earnings and profits |   |                                       | Dividends paid to controlling U.S. corporation | Total Subpart F income |
|   | Total                                     | Not previously taxed earnings and profits | Previously taxed earnings and profits |  |                        |
| (12)  | (13)                                      | (14)                                      | (15)                                  | (16)   |                        |
| <b>All industries</b>   | <b>188,640,507</b>                        | <b>124,452,014</b>                        | <b>64,188,494</b>                     | <b>61,555,842</b>                              | <b>60,027,807</b>      |
| <b>Raw materials and energy production</b>  | <b>22,670,384</b>                         | <b>19,236,497</b>                         | <b>3,433,887</b>                      | <b>11,513,555</b>                              | <b>1,372,255</b>       |
| Agriculture, forestry, and fishing  | 161,274                                   | 118,469                                   | * 42,804                              | 84,648   | 39,621                 |
| Mining  | 19,456,514                                | 16,722,828                                | 2,733,686                             | 11,306,291                                     | 1,019,722              |
| Oil and gas extraction  | 16,101,355                                | 13,876,439                                | 2,224,916                             | 9,763,495                                      | 843,131                |
| Mining (except oil and gas)   | 2,545,781                                 | 2,475,738                                 | * 70,043                              | * 1,296,805                                    | 74,442                 |
| Support activities for mining   | 809,379                                   | 370,651                                   | 438,728                               | 245,991  | 102,148                |
| Utilities   | 3,052,596                                 | 2,395,200                                 | 657,397                               | 122,617  | 312,913                |
| <b>Goods production</b>   | <b>51,327,637</b>                         | <b>39,815,456</b>                         | <b>11,512,181</b>                     | <b>16,648,381</b>                              | <b>9,621,299</b>       |
| Construction  | 863,213                                   | 801,982                                   | 61,230                                | 66,050   | 165,570                |
| Construction of buildings   | * 44,926                                  | * 44,926                                  | 0                                     | * 14,507                                       | * 10,431               |
| Heavy and civil engineering construction  | * 39,186                                  | * 36,656                                  | * 2,530                               | * 2,919  | 10,223                 |
| Specialty trade contractors   | 779,100                                   | 720,400                                   | 58,700                                | 48,624   | 144,916                |
| Manufacturing   | 50,464,424                                | 39,013,474                                | 11,450,950                            | 16,582,331                                     | 9,455,729              |
| Food manufacturing  | 4,029,288                                 | 3,554,653                                 | 474,635                               | 2,087,614                                      | 1,030,321              |
| Beverage and tobacco product manufacturing  | 5,069,516                                 | 2,955,652                                 | 2,113,864                             | 943,616  | 682,721                |
| Beverage manufacturing  | 2,256,382                                 | 2,157,930                                 | 98,452                                | 930,525  | 133,182                |
| Tobacco manufacturing   | 2,813,134                                 | 797,722                                   | 2,015,411                             | * 13,091                                       | 549,540                |
| Textile mills and textile product mills   | 25,893                                    | 18,635                                    | * 7,259                               | * 5,636  | * 11,110               |
| Apparel manufacturing   | 125,882                                   | 105,348                                   | 20,534                                | * 44,653                                       | 75,347                 |
| Leather and allied product manufacturing  | * 37,801                                  | * 24,336                                  | * 13,465                              | * 12,302                                       | * 12,048               |
| Wood product manufacturing  | 239,128                                   | * 229,172                                 | * 9,956                               | * 125,437                                      | * 6,463                |
| Paper manufacturing   | 610,478                                   | 527,072                                   | 83,406                                | 183,981  | 117,868                |
| Printing and related support activities   | 203,706                                   | 156,380                                   | * 47,326                              | * 74,583                                       | 35,497                 |
| Petroleum and coal products manufacturing   | 2,768,794                                 | 1,684,757                                 | 1,084,038                             | 147,386  | 267,280                |
| Chemical manufacturing  | 11,002,354                                | 8,199,428                                 | 2,802,927                             | 3,886,823                                      | 1,701,272              |
| Basic chemical manufacturing  | 1,517,372                                 | 1,466,446                                 | 50,926                                | 712,013  | 241,218                |
| Pharmaceutical and medicine manufacturing   | 5,371,244                                 | 3,478,043                                 | 1,893,201                             | 1,348,595                                      | 956,369                |
| Soap, cleaning compound, and toilet preparation manufacturing                         | 1,466,030                                 | 1,111,345                                 | 354,685                               | 817,553  | 94,462                 |
| Other chemical manufacturing  | 2,647,708                                 | 2,143,594                                 | 504,115                               | 1,008,661                                      | 409,223                |
| Plastics and rubber products manufacturing  | 1,193,728                                 | 1,066,640                                 | 127,088                               | 566,570  | 125,677                |
| Plastics products manufacturing   | 671,842                                   | 552,903                                   | 118,939                               | 307,113  | 26,955                 |
| Rubber products manufacturing   | 521,886                                   | 513,738                                   | * 8,149                               | 259,456  | 98,722                 |
| Nonmetallic mineral product manufacturing   | 1,010,197                                 | 929,469                                   | 80,728                                | 350,394  | 37,891                 |
| Primary metal manufacturing   | 1,364,227                                 | 998,464                                   | 365,763                               | 37,119   | 417,492                |
| Fabricated metal product manufacturing  | 973,882                                   | 809,753                                   | 164,129                               | 375,897  | 225,598                |
| Machinery manufacturing   | 1,289,321                                 | 1,113,800                                 | 175,520                               | 473,831  | 282,382                |
| Computer and electronic product manufacturing   | 6,326,041                                 | 4,716,203                                 | 1,609,838                             | 1,799,746                                      | 1,828,535              |
| Communications equipment manufacturing  | 551,677                                   | 428,852                                   | 122,825                               | 201,784  | 385,966                |
| Semiconductor and other electronic component manufacturing                            | 2,450,765                                 | 1,663,184                                 | 787,581                               | 1,507,485                                      | 837,173                |
| Other computer and electronic manufacturing   | 3,323,598                                 | 2,624,167                                 | 699,432                               | 90,477   | 605,396                |
| Electric equipment, appliance, and component manufacturing                            | 1,252,220                                 | 831,606                                   | 420,614                               | 374,504  | 570,031                |
| Transportation equipment manufacturing  | 5,894,546                                 | 4,903,787                                 | 990,759                               | 1,778,214                                      | 487,791                |
| Motor vehicle, vehicle body and trailer, and vehicle parts manufacturing              | 5,655,837                                 | 4,678,751                                 | 977,086                               | 1,629,594                                      | 437,954                |
| Other transportation equipment manufacturing  | 238,709                                   | 225,036                                   | 13,673                                | 148,620  | 49,837                 |
| Furniture and related product manufacturing   | 127,703                                   | 126,835                                   | * 868                                 | * 99,165                                       | * 330                  |
| Miscellaneous manufacturing   | 6,919,720                                 | 6,061,484                                 | 858,236                               | 3,214,860                                      | 1,540,076              |
| Medical and equipment supplies manufacturing  | 3,618,307                                 | 3,249,917                                 | 368,391                               | 1,929,779                                      | 401,142                |
| Other miscellaneous manufacturing   | 3,301,413                                 | 2,811,567                                 | 489,846                               | 1,285,081                                      | 1,138,934              |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations           |   |                                       |  |                        |
|---|---|---|---------------------------------------|--|------------------------|
|   | Distributions out of earnings and profits |   |                                       | Dividends paid to controlling U.S. corporation | Total Subpart F income |
|   | Total                                     | Not previously taxed earnings and profits | Previously taxed earnings and profits |  |                        |
| (12)  | (13)                                      | (14)                                      | (15)                                  | (16)   |                        |
| <b>Distribution and transportation of goods</b>                                       | <b>24,506,433</b>                         | <b>13,407,140</b>                         | <b>11,099,293</b>                     | <b>8,101,761</b>                               | <b>8,629,504</b>       |
| Wholesale and retail trade  | 22,457,714                                | 12,412,949                                | 10,044,766                            | 7,530,562                                      | 8,276,753              |
| Wholesale trade   | 16,307,214                                | 7,576,010                                 | 8,731,203                             | 3,587,781                                      | 6,942,701              |
| Motor vehicle and motor vehicle parts and supplies wholesalers                        | 551,010                                   | 181,360                                   | 369,650                               | 99,414   | 130,098                |
| Professional and commercial equipment and supplies wholesalers                        | 332,848                                   | 214,926                                   | 117,922                               | 210,056  | 150,348                |
| Electrical and electronic goods wholesalers   | 825,499                                   | 531,524                                   | 293,975                               | 383,345  | 329,701                |
| Machinery, equipment, and supplies wholesalers  | 717,165                                   | 612,494                                   | 104,670                               | 302,960  | 490,125                |
| Drugs and druggists' sundries wholesalers   | 1,651,642                                 | 849,431                                   | 802,211                               | 364,267  | 1,139,880              |
| Apparel, piece goods, and notions wholesalers   | 332,053                                   | 263,565                                   | * 68,488                              | 110,100  | 101,227                |
| Grocery and related product wholesalers   | 436,014                                   | 313,555                                   | * 122,459                             | 194,081  | 117,986                |
| Chemical and allied products wholesalers  | 745,492                                   | 450,873                                   | 294,619                               | 292,102  | 189,899                |
| Petroleum and petroleum products wholesalers  | 5,069,923                                 | 284,460                                   | 4,785,463                             | 142,965  | 1,789,460              |
| Other wholesale trade   | 5,645,567                                 | 3,873,821                                 | 1,771,746                             | 1,488,491                                      | 2,503,977              |
| Retail trade  | 6,150,501                                 | 4,836,938                                 | 1,313,562                             | 3,942,781                                      | 1,334,052              |
| Motor vehicle dealers and parts dealers   | 126,002                                   | 126,002                                   | 0                                     | * 4,000  | 5,969                  |
| Electronics and appliance stores  | * 783                                     | * 783                                     | * [2]                                 | * 88   | 818                    |
| Building materials and garden equipment and supplies dealers                          | * 438,236                                 | * 63,040                                  | * 375,196                             | * 51,200                                       | * 4,765                |
| Food and beverage stores  | * 17,050                                  | * 17,021                                  | * 29                                  | * 2,912  | * 7,169                |
| Health and personal care stores   | * 234,331                                 | * 232,367                                 | * 1,964                               | * 159,854                                      | * 5,818                |
| Clothing and clothing accessories stores  | 385,220                                   | * 151,508                                 | * 233,712                             | * 110,614                                      | 241,905                |
| General merchandise stores  | * 1,106,925                               | * 1,062,973                               | * 43,952                              | * 474,377                                      | * 33,824               |
| Electronic shopping and mail-order houses   | * 120,847                                 | * 98,279                                  | * 22,569                              | * 96,505                                       | 50,368                 |
| Other retailers   | 3,721,105                                 | 3,084,966                                 | 636,140                               | 3,043,231                                      | 983,417                |
| Transportation and warehousing  | 2,048,719                                 | 994,191                                   | 1,054,528                             | 571,199  | 352,751                |
| Air transportation  | 151,066                                   | 144,471                                   | * 6,595                               | 118,814  | 37,571                 |
| Water transportation  | 827,664                                   | 81,034                                    | 746,631                               | * 28,614                                       | 168,413                |
| Truck transportation  | * 21,060                                  | * 21,060                                  | 0                                     | * 13,201                                       | * 12,714               |
| Support activities for transportation   | 539,624                                   | 381,220                                   | 158,404                               | 145,618  | 48,695                 |
| Other transportation  | 440,909                                   | 299,847                                   | * 141,062                             | 246,319  | 74,165                 |
| Warehousing and storage   | 68,396                                    | 66,559                                    | * 1,837                               | 18,632   | * 11,193               |
| <b>Information</b>  | <b>4,496,460</b>                          | <b>4,006,700</b>                          | <b>489,761</b>                        | <b>3,062,461</b>                               | <b>960,698</b>         |
| Publishing industries   | 809,892                                   | 751,185                                   | 58,707                                | 387,110  | 271,108                |
| Newspaper, periodical, book and directory publishers                                  | 434,459                                   | 388,836                                   | 45,623                                | 232,602  | 82,210                 |
| Software publishers   | * 375,434                                 | * 362,350                                 | * 13,084                              | * 154,508                                      | 188,899                |
| Motion picture and sound recording industries   | 595,801                                   | 259,197                                   | 336,605                               | 84,566   | 165,794                |
| Broadcasting (except internet)  | 86,969                                    | 77,488                                    | * 9,481                               | 35,550   | 44,281                 |
| Internet publishing and broadcasting  | 0   | 0   | 0                                     | 0  | 0                      |
| Telecommunications  | 2,583,186                                 | 2,503,157                                 | 80,029                                | 2,284,450                                      | 369,682                |
| Internet service providers, web search portals, and data processing services          | 262,329                                   | 257,835                                   | * 4,493                               | 223,050  | 92,191                 |
| Other information services  | 158,283                                   | 157,838                                   | * 445                                 | 47,736   | 17,642                 |
| <b>Finance, insurance, real estate, and rental and leasing</b>                        | <b>31,936,360</b>                         | <b>16,614,676</b>                         | <b>15,321,684</b>                     | <b>6,099,012</b>                               | <b>19,868,251</b>      |
| Finance and insurance   | 30,788,610                                | 15,914,832                                | 14,873,778                            | 5,840,078                                      | 18,906,511             |
| Credit intermediation and related activities  | 6,140,282                                 | 4,082,794                                 | 2,057,488                             | 2,417,202                                      | 1,721,235              |
| Depository credit intermediation  | 2,632,368                                 | 1,626,182                                 | 1,006,187                             | 1,131,527                                      | 534,229                |
| Nondepository credit intermediation   | 2,735,726                                 | 1,917,709                                 | 818,017                               | 1,164,451                                      | 866,555                |
| Activities related to credit intermediation   | 772,188                                   | 538,904                                   | 233,285                               | 121,225  | 320,451                |
| Securities, commodity contracts, and other financial investments and related products | 11,084,141                                | 6,361,580                                 | 4,722,561                             | 1,950,603                                      | 7,581,285              |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations           |   |                                       |  |                        |
|---|---|---|---------------------------------------|--|------------------------|
|   | Distributions out of earnings and profits |   |                                       | Dividends paid to controlling U.S. corporation | Total Subpart F income |
|   | Total                                     | Not previously taxed earnings and profits | Previously taxed earnings and profits |  |                        |
|   | (12)                                      | (13)                                      | (14)                                  | (15)   | (16)                   |
| <b>Finance, insurance, real estate, and rental and leasing—continued</b>              |   |   |                                       |  |                        |
| Insurance carriers and related activities   | 4,227,219                                 | 2,482,463                                 | 1,744,756                             | 1,000,344                                      | 3,964,112              |
| Insurance carriers  | 1,813,675                                 | 903,896                                   | 909,780                               | 418,882  | 2,968,625              |
| Agencies, brokerages, and other insurance related activities                          | 2,413,544                                 | 1,578,568                                 | 834,976                               | 581,462  | 995,487                |
| Funds, trusts, and other financial activities   | 9,336,968                                 | 2,987,994                                 | 6,348,974                             | 471,928  | 5,639,879              |
| Real estate and rental and leasing  | 1,147,750                                 | 699,844                                   | 447,905                               | 258,934  | 961,740                |
| Rental and leasing services   | 314,928                                   | 266,879                                   | 48,049                                | 34,811   | 118,627                |
| Commercial and industrial machinery and equipment rental and leasing                  | 248,081                                   | 230,650                                   | 17,431                                | 34,049   | 72,842                 |
| Other rental and leasing services   | * 66,847                                  | * 36,229                                  | * 30,618                              | * 762  | * 45,785               |
| Other real estate and rental and leasing  | 832,822                                   | 432,965                                   | 399,857                               | 224,123  | 843,113                |
| <b>Services</b>   | <b>53,687,478</b>                         | <b>31,355,831</b>                         | <b>22,331,648</b>                     | <b>16,119,829</b>                              | <b>19,575,698</b>      |
| Professional, scientific, and technical services                                      | 6,710,285                                 | 4,602,111                                 | 2,108,175                             | 2,340,132                                      | 3,854,100              |
| Architectural, engineering, and related services                                      | 470,128                                   | 402,395                                   | 67,733                                | 93,863   | 99,215                 |
| Computer system design and related services   | 1,456,259                                 | 1,117,214                                 | 339,045                               | 536,452  | 1,456,524              |
| Custom computer programming services  | * 12,312                                  | * 12,216                                  | * 97                                  | * 5,821  | 36,434                 |
| Computer systems design services  | 196,227                                   | 71,062                                    | * 125,164                             | * 26,986                                       | 179,833                |
| Other computer system design and related services                                     | 1,247,720                                 | 1,033,936                                 | 213,784                               | 503,645  | 1,240,257              |
| Management, scientific, and technical consulting services                             | 419,283                                   | 370,530                                   | 48,753                                | 71,521   | 577,895                |
| Scientific research and development services  | 80,850                                    | 74,595                                    | * 6,254                               | * 64,787                                       | 55,178                 |
| Advertising and related services  | 2,415,455                                 | 1,577,362                                 | 838,093                               | 922,363  | 338,956                |
| Other professional, scientific, and technical services                                | 1,868,311                                 | 1,060,015                                 | 808,296                               | 651,146  | 1,326,331              |
| Management of companies and enterprises   | 44,667,092                                | 24,551,961                                | 20,115,131                            | 12,915,220                                     | 14,985,778             |
| Administration and support and waste management and remediation services              | 611,619                                   | 568,914                                   | 42,705                                | 98,556   | 266,321                |
| Educational services  | 21,723                                    | 21,723                                    | 0                                     | * 11,091                                       | 7,563                  |
| Health care and social assistance   | 205,205                                   | 205,195                                   | * 10                                  | * 36,882                                       | * 9,572                |
| Arts, entertainment, and recreation   | 140,443                                   | 140,408                                   | * 35                                  | 64,545   | 26,772                 |
| Accommodation and food services   | 704,964                                   | 677,568                                   | * 27,396                              | 369,347  | 214,257                |
| Other services (except public administration)   | 626,147                                   | 587,951                                   | 38,195                                | 284,058  | 211,336                |
| <b>Nature of business not allocable</b>   | <b>* 15,754</b>                           | <b>* 15,714</b>                           | <b>* 41</b>                           | <b>* 10,842</b>                                | <b>* 101</b>           |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

Statistics of Income Bulletin | Winter 2011

**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations        |                            |                                |  |   |                           |                      |
|---|--|----------------------------|--------------------------------|--|---|---------------------------|----------------------|
|   | Receipts by foreign corporations from: |                            |                                |  |   |                           |                      |
|   | All sources                            | All related parties, total | U.S. corporation filing return | Domestic corporations controlled by U.S. corporation filing return | Any foreign corporations controlled by U.S. corporation filing return | All other related parties | Unrelated parties    |
|   | (17)                                   | (18)                       | (19)                           | (20)   | (21)  | (22)                      | (23)                 |
| <b>All industries</b>   | <b>4,819,870,637</b>                   | <b>1,326,943,908</b>       | <b>227,694,388</b>             | <b>269,152,485</b>   | <b>829,974,925</b>  | <b>122,110</b>            | <b>3,535,062,255</b> |
| <b>Raw materials and energy production</b>  | <b>231,754,208</b>                     | <b>68,074,118</b>          | <b>7,377,272</b>               | <b>29,167,106</b>  | <b>31,529,662</b>   | <b>* 78</b>               | <b>163,803,585</b>   |
| Agriculture, forestry, and fishing  | 8,373,384                              | 3,515,961                  | 210,665                        | 459,218  | 2,846,000   | * 78                      | 4,861,513            |
| Mining  | 182,128,952                            | 59,238,530                 | 7,157,343                      | 25,620,882   | 26,460,305  | 0                         | 122,957,367          |
| Oil and gas extraction  | 153,987,654                            | 53,838,276                 | 6,319,898                      | 23,313,402   | 24,204,975  | 0                         | 100,183,287          |
| Mining (except oil and gas)   | 17,334,703                             | 3,964,651                  | * 718,913                      | 1,795,897  | 1,449,841   | 0                         | 13,370,371           |
| Support activities for mining   | 10,806,596                             | 1,435,603                  | * 118,531                      | 511,583  | 805,489   | 0                         | 9,403,709            |
| Utilities   | 41,251,872                             | 5,319,627                  | 9,265                          | 3,087,006  | 2,223,357   | 0                         | 35,984,705           |
| <b>Goods production</b>   | <b>1,878,079,547</b>                   | <b>691,114,849</b>         | <b>149,945,039</b>             | <b>119,217,429</b>   | <b>421,853,792</b>  | <b>98,590</b>             | <b>1,211,413,197</b> |
| Construction  | 22,435,556                             | 2,069,902                  | 54,776                         | 601,575  | 1,413,551   | 0                         | 20,390,276           |
| Construction of buildings   | 4,009,452                              | 68,060                     | * 1,005                        | * 2,293  | 64,762  | 0                         | 3,941,818            |
| Heavy and civil engineering construction  | 1,666,502                              | 172,104                    | * 2,020                        | 20,850   | 149,234   | 0                         | 1,495,507            |
| Specialty trade contractors   | 16,759,602                             | 1,829,739                  | 51,751                         | 578,432  | 1,199,555   | 0                         | 14,952,951           |
| Manufacturing   | 1,855,643,991                          | 689,044,947                | 149,890,263                    | 118,615,853  | 420,440,241   | 98,590                    | 1,191,022,921        |
| Food manufacturing  | 112,029,756                            | 21,952,520                 | 1,549,723                      | 2,343,327  | 18,024,797  | * 34,673                  | 90,608,313           |
| Beverage and tobacco product manufacturing  | 104,271,874                            | 33,976,976                 | 405,682                        | 1,873,597  | 31,697,697  | 0                         | 71,585,428           |
| Beverage manufacturing  | 58,121,258                             | 12,550,822                 | 362,557                        | 1,795,428  | 10,392,836  | 0                         | 46,857,434           |
| Tobacco manufacturing   | 46,150,616                             | 21,426,154                 | * 43,124                       | 78,169   | 21,304,861  | 0                         | 24,727,994           |
| Textile mills and textile product mills   | 4,833,864                              | 968,637                    | 190,621                        | 111,948  | 666,068   | 0                         | 3,900,444            |
| Apparel manufacturing   | 10,253,847                             | 4,748,922                  | 729,259                        | 2,562,576  | 1,457,088   | 0                         | 5,531,408            |
| Leather and allied product manufacturing  | 2,722,952                              | 816,878                    | 219,524                        | * 164,934  | 432,420   | 0                         | 1,907,461            |
| Wood product manufacturing  | 5,453,328                              | 1,224,871                  | 461,961                        | 198,773  | 564,138   | 0                         | 4,271,244            |
| Paper manufacturing   | 32,820,748                             | 7,646,573                  | 1,848,325                      | 1,645,373  | 4,152,875   | 0                         | 25,197,340           |
| Printing and related support activities   | 6,588,841                              | 867,797                    | 124,147                        | 73,012   | 670,639   | 0                         | 5,757,023            |
| Petroleum and coal products manufacturing   | 147,509,774                            | 56,975,683                 | 6,044,710                      | 16,095,916   | 34,835,057  | 0                         | 90,535,298           |
| Chemical manufacturing  | 272,017,619                            | 95,490,855                 | 11,779,284                     | 17,657,644   | 66,053,765  | * 161                     | 178,643,939          |
| Basic chemical manufacturing  | 42,281,121                             | 8,490,295                  | 2,045,529                      | 899,532  | 5,545,128   | * 106                     | 33,877,901           |
| Pharmaceutical and medicine manufacturing   | 114,296,840                            | 59,600,253                 | 7,467,230                      | 13,500,737   | 38,632,232  | * 54                      | 56,198,373           |
| Soap, cleaning compound, and toilet preparation manufacturing                         | 25,043,745                             | 4,959,546                  | 300,666                        | 301,453  | 4,357,426   | 0                         | 20,486,542           |
| Other chemical manufacturing  | 90,395,913                             | 22,440,760                 | 1,965,859                      | 2,955,923  | 17,518,979  | 0                         | 68,081,123           |
| Plastics and rubber products manufacturing  | 45,135,859                             | 14,780,202                 | 2,699,199                      | 895,955  | 11,185,048  | 0                         | 30,399,109           |
| Plastics products manufacturing   | 26,772,266                             | 8,584,570                  | 1,581,395                      | 808,353  | 6,194,822   | 0                         | 18,203,110           |
| Rubber products manufacturing   | 18,363,593                             | 6,195,632                  | 1,117,804                      | 87,602   | 4,990,226   | 0                         | 12,195,999           |
| Nonmetallic mineral product manufacturing   | 24,284,882                             | 4,801,217                  | 766,960                        | 620,966  | 3,413,282   | * 9                       | 19,497,463           |
| Primary metal manufacturing   | 37,333,046                             | 9,635,761                  | 327,215                        | 3,602,998  | 5,653,265   | * 52,282                  | 27,700,745           |
| Fabricated metal product manufacturing  | 48,213,279                             | 9,681,469                  | 1,281,832                      | 2,078,256  | 6,321,268   | * 113                     | 38,619,992           |
| Machinery manufacturing   | 72,067,981                             | 20,769,294                 | 5,099,726                      | 2,730,393  | 12,937,895  | * 1,280                   | 51,435,543           |
| Computer and electronic product manufacturing   | 281,975,119                            | 94,002,620                 | 37,162,293                     | 11,213,120   | 45,624,266  | * 2,941                   | 188,718,040          |
| Communications equipment manufacturing  | 61,322,150                             | 31,357,167                 | 12,685,589                     | 1,692,644  | 16,978,933  | 0                         | 30,128,042           |
| Semiconductor and other electronic component manufacturing                            | 102,541,455                            | 29,539,847                 | 15,102,973                     | 5,590,671  | 8,843,261   | * 2,941                   | 73,208,257           |
| Other computer and electronic manufacturing   | 118,111,514                            | 33,105,606                 | 9,373,730                      | 3,929,805  | 19,802,071  | 0                         | 85,381,741           |
| Electric equipment, appliance, and component manufacturing                            | 79,844,740                             | 29,204,647                 | 5,037,638                      | 9,826,652  | 14,334,518  | * 5,839                   | 50,864,975           |
| Transportation equipment manufacturing  | 393,960,912                            | 177,136,498                | 56,987,806                     | 30,109,498   | 90,039,194  | 0                         | 217,447,307          |
| Motor vehicle, vehicle body and trailer, and vehicle parts manufacturing              | 375,747,279                            | 172,052,076                | 55,748,351                     | 28,026,757   | 88,276,969  | 0                         | 204,303,939          |
| Other transportation equipment manufacturing  | 18,213,633                             | 5,084,422                  | 1,239,455                      | 2,082,742  | 1,762,225   | 0                         | 13,143,369           |
| Furniture and related product manufacturing   | 4,148,460                              | 874,069                    | 209,506                        | 260,515  | 404,048   | 0                         | 3,292,311            |
| Miscellaneous manufacturing   | 170,177,110                            | 103,489,457                | 16,964,853                     | 14,550,400   | 71,972,913  | * 1,291                   | 85,109,537           |
| Medical and equipment supplies manufacturing  | 42,480,774                             | 21,349,867                 | 2,362,916                      | 5,357,245  | 13,629,706  | 0                         | 21,296,417           |
| Other miscellaneous manufacturing   | 127,696,336                            | 82,139,590                 | 14,601,937                     | 9,193,155  | 58,343,207  | * 1,291                   | 63,813,120           |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations        |                            |                                |  |   |                           |                      |
|---|--|----------------------------|--------------------------------|--|---|---------------------------|----------------------|
|   | Receipts by foreign corporations from: |                            |                                |  |   |                           |                      |
|   | All sources                            | All related parties, total | U.S. corporation filing return | Domestic corporations controlled by U.S. corporation filing return | Any foreign corporations controlled by U.S. corporation filing return | All other related parties | Unrelated parties    |
|   | (17)                                   | (18)                       | (19)                           | (20)   | (21)  | (22)                      | (23)                 |
| <b>Distribution and transportation of goods</b>                                       | <b>1,264,349,512</b>                   | <b>215,673,793</b>         | <b>30,198,959</b>              | <b>54,137,673</b>  | <b>131,336,615</b>  | <b>* 546</b>              | <b>1,050,643,661</b> |
| Wholesale and retail trade  | 1,212,134,708                          | 199,724,707                | 28,940,296                     | 48,509,204   | 122,274,661   | * 546                     | 1,014,142,363        |
| Wholesale trade   | 856,780,202                            | 153,840,658                | 27,032,329                     | 26,964,961   | 99,842,840  | * 528                     | 704,427,955          |
| Motor vehicle and motor vehicle parts and supplies wholesalers                        | 34,793,455                             | 3,070,748                  | 1,100,487                      | 102,303  | 1,867,958   | 0                         | 31,726,945           |
| Professional and commercial equipment and supplies wholesalers                        | 11,136,231                             | 3,436,462                  | 1,696,196                      | 108,573  | 1,631,693   | 0                         | 7,834,418            |
| Electrical and electronic goods wholesalers   | 85,220,159                             | 15,058,857                 | 3,749,000                      | 1,076,902  | 10,232,955  | 0                         | 70,225,177           |
| Machinery, equipment, and supplies wholesalers  | 60,070,753                             | 9,076,693                  | 2,443,887                      | 923,689  | 5,709,118   | 0                         | 51,108,879           |
| Drugs and druggists' sundries wholesalers   | 100,791,021                            | 22,602,331                 | 4,213,840                      | 1,626,613  | 16,761,878  | 0                         | 78,759,061           |
| Apparel, piece goods, and notions wholesalers   | 10,146,338                             | 1,888,935                  | 101,915                        | 253,741  | 1,533,279   | 0                         | 8,262,367            |
| Grocery and related product wholesalers   | 26,406,344                             | 4,648,566                  | 159,358                        | 1,311,268  | 3,177,940   | 0                         | 21,758,932           |
| Chemical and allied products wholesalers  | 35,238,462                             | 6,615,268                  | 1,603,534                      | 456,182  | 4,555,553   | 0                         | 28,787,642           |
| Petroleum and petroleum products wholesalers  | 217,225,137                            | 22,437,449                 | 4,165,648                      | 10,819,094   | 7,452,707   | 0                         | 194,793,007          |
| Other wholesale trade   | 275,752,302                            | 65,005,349                 | 7,798,466                      | 10,286,595   | 46,919,760  | * 528                     | 211,171,524          |
| Retail trade  | 355,354,506                            | 45,884,048                 | 1,907,967                      | 21,544,243   | 22,431,821  | * 18                      | 309,714,409          |
| Motor vehicle dealers and parts dealers   | 19,489,971                             | 5,249,537                  | * 336,208                      | * 2,577,168  | 2,336,161   | 0                         | 14,270,362           |
| Electronics and appliance stores  | 10,737,748                             | 799,106                    | 610,171                        | * 5,455  | 183,479   | 0                         | 9,940,145            |
| Building materials and garden equipment and supplies dealers                          | 7,984,051                              | 761,483                    | * 17,795                       | * 3,232  | 740,456   | 0                         | 7,226,957            |
| Food and beverage stores  | 10,349,385                             | 97,151                     | * 40,611                       | * 11,390   | * 45,150  | 0                         | 10,252,235           |
| Health and personal care stores   | 4,910,180                              | 257,932                    | 49,755                         | * 15,646   | 192,530   | 0                         | 4,685,861            |
| Clothing and clothing accessories stores  | 12,229,278                             | 1,503,116                  | 95,202                         | * 666,020  | 741,894   | 0                         | 10,783,116           |
| General merchandise stores  | 104,941,850                            | 929,425                    | * 1,163                        | * 6,663  | 921,582   | * 18                      | 104,032,203          |
| Electronic shopping and mail-order houses   | 6,610,185                              | 666,150                    | * 20,391                       | 176,810  | 468,949   | 0                         | 5,952,151            |
| Other retailers   | 178,101,859                            | 35,620,149                 | 736,670                        | 18,081,859   | 16,801,620  | 0                         | 142,571,378          |
| Transportation and warehousing  | 52,214,804                             | 15,949,086                 | 1,258,663                      | 5,628,469  | 9,061,954   | 0                         | 36,501,297           |
| Air transportation  | 5,227,961                              | 1,690,171                  | * 4,449                        | 219,524  | 1,466,198   | 0                         | 3,537,790            |
| Water transportation  | 8,077,098                              | 3,035,191                  | 50,139                         | 1,797,542  | 1,187,511   | 0                         | 5,042,543            |
| Truck transportation  | 4,553,033                              | 532,544                    | * 15,502                       | 128,560  | 388,482   | 0                         | 4,025,280            |
| Support activities for transportation   | 22,403,502                             | 8,176,524                  | 1,135,085                      | 2,337,902  | 4,703,537   | 0                         | 14,238,336           |
| Other transportation  | 7,728,269                              | 934,017                    | * 1,318                        | 858,911  | 73,788  | 0                         | 6,794,787            |
| Warehousing and storage   | 4,224,941                              | 1,580,638                  | 52,170                         | 286,031  | 1,242,436   | 0                         | 2,862,562            |
| <b>Information</b>  | <b>109,640,278</b>                     | <b>11,336,935</b>          | <b>1,675,211</b>               | <b>1,914,419</b>   | <b>7,747,090</b>  | <b>* 215</b>              | <b>98,515,584</b>    |
| Publishing industries   | 21,324,374                             | 1,926,054                  | 589,469                        | 452,844  | 883,740   | 0                         | 19,427,953           |
| Newspaper, periodical, book and directory publishers                                  | 11,351,532                             | 678,384                    | 51,572                         | 207,485  | 419,327   | 0                         | 10,698,152           |
| Software publishers   | 9,972,842                              | 1,247,670                  | 537,897                        | 245,359  | 464,413   | 0                         | 8,729,802            |
| Motion picture and sound recording industries   | 24,049,511                             | 2,214,233                  | * 582                          | 698,983  | 1,514,668   | 0                         | 21,849,024           |
| Broadcasting (except internet)  | 7,935,439                              | 828,380                    | 18,150                         | 57,740   | 752,490   | 0                         | 7,113,613            |
| Internet publishing and broadcasting  | 192,224                                | 49,958                     | * 8,810                        | * 38,243   | * 2,905   | 0                         | 142,271              |
| Telecommunications  | 36,892,363                             | 4,426,665                  | 509,606                        | 298,234  | 3,618,610   | * 215                     | 32,606,590           |
| Internet service providers, web search portals, and data processing services          | 12,536,881                             | 1,086,064                  | 251,943                        | 168,230  | 665,891   | 0                         | 11,469,617           |
| Other information services  | 6,709,485                              | 805,582                    | 296,650                        | 200,145  | 308,787   | 0                         | 5,906,516            |
| <b>Finance, insurance, real estate, and rental and leasing</b>                        | <b>513,377,523</b>                     | <b>120,020,680</b>         | <b>7,000,216</b>               | <b>38,449,004</b>  | <b>74,560,983</b>   | <b>* 10,478</b>           | <b>397,289,720</b>   |
| Finance and insurance   | 477,314,006                            | 116,547,892                | 6,937,158                      | 37,983,300   | 71,616,956  | * 10,478                  | 364,528,634          |
| Credit intermediation and related activities  | 104,731,256                            | 19,111,935                 | 332,937                        | 4,499,832  | 14,279,166  | 0                         | 86,841,209           |
| Depository credit intermediation  | 36,097,455                             | 5,855,700                  | * 639                          | 2,866,245  | 2,988,816   | 0                         | 30,275,332           |
| Nondepository credit intermediation   | 59,024,705                             | 11,054,115                 | 247,347                        | 1,186,458  | 9,620,310   | 0                         | 49,155,378           |
| Activities related to credit intermediation   | 9,609,097                              | 2,202,119                  | 84,951                         | 447,129  | 1,670,040   | 0                         | 7,410,500            |
| Securities, commodity contracts, and other financial investments and related products | 213,746,387                            | 73,975,123                 | 6,266,697                      | 27,310,013   | 40,391,136  | * 7,276                   | 141,241,225          |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations        |                            |                                |  |   |                           |                    |
|---|--|----------------------------|--------------------------------|--|---|---------------------------|--------------------|
|   | Receipts by foreign corporations from: |                            |                                |  |   |                           |                    |
|   | All sources                            | All related parties, total | U.S. corporation filing return | Domestic corporations controlled by U.S. corporation filing return | Any foreign corporations controlled by U.S. corporation filing return | All other related parties | Unrelated parties  |
|   | (17)                                   | (18)                       | (19)                           | (20)   | (21)  | (22)                      | (23)               |
| <b>Finance, insurance, real estate, and rental and leasing—continued</b>              |  |                            |                                |  |   |                           |                    |
| Insurance carriers and related activities   | 116,866,070                            | 5,319,389                  | 193,737                        | 1,882,927  | 3,242,725   | 0                         | 112,144,213        |
| Insurance carriers  | 84,770,876                             | 1,870,730                  | 50,105                         | 709,839  | 1,110,785   | 0                         | 82,973,732         |
| Agencies, brokerages, and other insurance related activities                          | 32,095,194                             | 3,448,659                  | 143,632                        | 1,173,088  | 2,131,939   | 0                         | 29,170,481         |
| Funds, trusts, and other financial activities   | 41,970,293                             | 18,141,445                 | 143,786                        | 4,290,528  | 13,703,929  | * 3,202                   | 24,301,987         |
| Real estate and rental and leasing  | 36,063,517                             | 3,472,789                  | 63,058                         | 465,704  | 2,944,027   | 0                         | 32,761,087         |
| Rental and leasing services   | 20,125,754                             | 1,261,837                  | 9,623                          | 88,122   | 1,164,093   | 0                         | 18,974,345         |
| Commercial and industrial machinery and equipment rental and leasing                  | 9,859,494                              | 943,703                    | 6,341                          | 56,139   | 881,222   | 0                         | 8,919,859          |
| Other rental and leasing services   | 10,266,260                             | 318,135                    | * 3,282                        | * 31,983   | 282,871   | 0                         | 10,054,487         |
| Other real estate and rental and leasing  | 15,937,763                             | 2,210,951                  | 53,436                         | 377,582  | 1,779,934   | 0                         | 13,786,741         |
| <b>Services</b>   | <b>822,329,696</b>                     | <b>220,668,411</b>         | <b>31,480,363</b>              | <b>26,247,410</b>  | <b>162,928,435</b>  | <b>* 12,203</b>           | <b>613,110,612</b> |
| Professional, scientific, and technical services                                      | 325,073,544                            | 82,090,698                 | 21,529,518                     | 13,285,311   | 47,263,861  | * 12,008                  | 244,777,670        |
| Architectural, engineering, and related services                                      | 14,733,593                             | 1,844,285                  | 294,087                        | 246,500  | 1,303,692   | * 6                       | 12,938,877         |
| Computer system design and related services   | 164,586,215                            | 43,460,812                 | 13,908,278                     | 7,535,287  | 22,017,247  | 0                         | 121,858,164        |
| Custom computer programming services  | 2,917,243                              | 1,092,109                  | 615,933                        | 267,667  | 208,509   | 0                         | 1,860,257          |
| Computer systems design services  | 15,180,168                             | 4,104,253                  | 766,854                        | 775,388  | 2,562,011   | 0                         | 11,100,268         |
| services  | 146,488,803                            | 38,264,450                 | 12,525,491                     | 6,492,232  | 19,246,727  | 0                         | 108,897,639        |
| Management, scientific, and technical consulting services                             | 21,385,554                             | 8,512,898                  | 766,419                        | 589,501  | 7,156,979   | 0                         | 13,034,597         |
| Scientific research and development services  | 6,003,767                              | 3,084,385                  | 1,190,267                      | 936,699  | 957,418   | 0                         | 2,982,612          |
| Advertising and related services  | 45,126,346                             | 6,390,269                  | 307,861                        | 446,142  | 5,636,266   | 0                         | 39,010,632         |
| Other professional, scientific, and technical services                                | 73,238,070                             | 18,798,049                 | 5,062,606                      | 3,531,182  | 10,192,259  | * 12,002                  | 54,952,788         |
| Management of companies and enterprises   | 400,870,739                            | 124,221,934                | 8,313,690                      | 10,569,829   | 105,338,220   | * 195                     | 285,743,800        |
| Administration and support and waste management and remediation services              | 43,159,640                             | 9,852,746                  | 1,154,936                      | 1,271,731  | 7,426,080   | 0                         | 33,782,028         |
| Educational services  | 2,563,845                              | 104,658                    | * 5,689                        | 11,198   | 87,771  | 0                         | 2,462,064          |
| Health care and social assistance   | 3,173,595                              | 316,188                    | 42,375                         | 9,698  | 264,116   | 0                         | 2,860,983          |
| Arts, entertainment, and recreation   | 4,552,881                              | 702,406                    | 62,007                         | 433,320  | 207,079   | 0                         | 3,871,410          |
| Accommodation and food services   | 26,843,858                             | 1,111,746                  | 121,246                        | 270,523  | 719,977   | 0                         | 25,757,332         |
| Other services (except public administration)   | 16,091,594                             | 2,268,034                  | 250,903                        | 395,801  | 1,621,331   | 0                         | 13,855,325         |
| <b>Nature of business not allocable</b>   | <b>339,873</b>                         | <b>55,122</b>              | <b>17,328</b>                  | <b>* 19,445</b>  | <b>18,349</b>   | <b>0</b>                  | <b>285,897</b>     |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

Statistics of Income Bulletin | Winter 2011

**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations      |                            |                                |  |   |                           |                      |
|---|--------------------------------------|----------------------------|--------------------------------|--|---|---------------------------|----------------------|
|   | Payments by foreign corporations to: |                            |                                |  |   |                           |                      |
|   | All recipients                       | All related parties, total | U.S. corporation filing return | Domestic corporations controlled by U.S. corporation filing return | Any foreign corporations controlled by U.S. corporation filing return | All other related parties | Unrelated parties    |
|   | (24)                                 | (25)                       | (26)                           | (27)   | (28)  | (29)                      | (30)                 |
| <b>All industries</b>   | <b>4,496,115,251</b>                 | <b>1,283,591,906</b>       | <b>231,165,265</b>             | <b>316,154,978</b>   | <b>736,024,626</b>  | <b>247,038</b>            | <b>3,228,510,720</b> |
| <b>Raw materials and energy production</b>  | <b>182,028,038</b>                   | <b>45,265,839</b>          | <b>6,169,416</b>               | <b>12,280,253</b>  | <b>26,791,914</b>   | <b>* 24,255</b>           | <b>136,946,099</b>   |
| Agriculture, forestry, and fishing  | 8,012,068                            | 2,006,829                  | 128,143                        | 451,546  | 1,402,964   | * 24,176                  | 6,008,481            |
| Mining  | 135,396,792                          | 39,534,479                 | 5,988,084                      | 11,352,142   | 22,194,175  | * 79                      | 96,029,259           |
| Oil and gas extraction  | 111,565,586                          | 33,183,785                 | 5,196,044                      | 8,676,986  | 19,310,676  | * 79                      | 78,515,668           |
| Mining (except oil and gas)   | 14,375,325                           | 3,792,426                  | 631,412                        | 1,049,580  | 2,111,434   | 0                         | 10,597,366           |
| Support activities for mining   | 9,455,881                            | 2,558,269                  | 160,627                        | 1,625,576  | 772,066   | 0                         | 6,916,226            |
| Utilities   | 38,619,178                           | 3,724,531                  | 53,190                         | 476,566  | 3,194,775   | 0                         | 34,908,359           |
| <b>Goods production</b>   | <b>1,784,277,300</b>                 | <b>534,079,642</b>         | <b>102,266,106</b>             | <b>122,950,912</b>   | <b>308,667,420</b>  | <b>195,204</b>            | <b>1,252,488,706</b> |
| Construction  | 21,374,670                           | 3,070,705                  | 208,628                        | 723,453  | 2,138,624   | 0                         | 18,335,160           |
| Construction of buildings   | 3,730,223                            | 92,773                     | * 22,242                       | * 22,208   | 48,322  | 0                         | 3,646,498            |
| Heavy and civil engineering construction  | 1,568,253                            | 183,680                    | 5,171                          | 18,435   | 160,074   | 0                         | 1,393,385            |
| Specialty trade contractors   | 16,076,194                           | 2,794,253                  | 181,215                        | 682,810  | 1,930,228   | 0                         | 13,295,276           |
| Manufacturing   | 1,762,902,630                        | 531,008,937                | 102,057,478                    | 122,227,459  | 306,528,796   | 195,204                   | 1,234,153,546        |
| Food manufacturing  | 110,807,614                          | 19,457,310                 | 3,135,242                      | 2,806,115  | 13,351,304  | * 164,649                 | 91,418,111           |
| Beverage and tobacco product manufacturing  | 96,157,963                           | 17,907,952                 | 1,792,759                      | 4,451,738  | 11,663,456  | 0                         | 78,643,963           |
| Beverage manufacturing  | 50,973,670                           | 11,774,623                 | 1,783,439                      | 2,839,595  | 7,151,588   | 0                         | 39,557,346           |
| Tobacco manufacturing   | 45,184,293                           | 6,133,329                  | * 9,319                        | 1,612,142  | 4,511,868   | 0                         | 39,086,616           |
| Textile mills and textile product mills   | 4,649,094                            | 747,183                    | 247,147                        | 95,673   | 404,363   | 0                         | 3,904,597            |
| Apparel manufacturing   | 9,716,926                            | 2,216,883                  | 475,850                        | 692,280  | 1,035,335   | * 13,418                  | 7,600,321            |
| Leather and allied product manufacturing  | 2,550,118                            | 500,088                    | 127,742                        | * 34,417   | 337,929   | 0                         | 2,052,162            |
| Wood product manufacturing  | 5,534,584                            | 833,615                    | 169,675                        | 197,233  | 466,707   | 0                         | 4,700,980            |
| Paper manufacturing   | 31,624,721                           | 6,454,114                  | 1,387,352                      | 1,545,860  | 3,520,901   | 0                         | 25,191,627           |
| Printing and related support activities   | 6,420,736                            | 1,122,646                  | 266,721                        | 269,012  | 586,913   | 0                         | 5,327,476            |
| Petroleum and coal products manufacturing   | 141,318,421                          | 67,781,335                 | 1,503,518                      | 32,224,378   | 34,053,196  | * 243                     | 73,547,123           |
| Chemical manufacturing  | 243,195,875                          | 82,290,744                 | 19,438,997                     | 18,346,413   | 44,504,007  | * 1,327                   | 161,337,948          |
| Basic chemical manufacturing  | 40,459,395                           | 8,858,623                  | 2,371,231                      | 2,591,912  | 3,894,445   | * 1,035                   | 31,726,056           |
| Pharmaceutical and medicine manufacturing   | 96,281,841                           | 42,146,326                 | 10,499,880                     | 7,313,960  | 24,332,194  | * 292                     | 54,214,136           |
| Soap, cleaning compound, and toilet preparation manufacturing                         | 23,752,233                           | 8,415,672                  | 1,143,303                      | 2,756,402  | 4,515,967   | 0                         | 15,467,910           |
| Other chemical manufacturing  | 82,702,406                           | 22,870,123                 | 5,424,582                      | 5,684,140  | 11,761,401  | * [2]                     | 59,929,847           |
| Plastics and rubber products manufacturing  | 44,026,249                           | 8,692,850                  | 2,895,722                      | 955,212  | 4,841,916   | 0                         | 35,377,471           |
| Plastics products manufacturing   | 26,126,565                           | 3,888,746                  | 1,156,882                      | 644,111  | 2,087,754   | 0                         | 22,274,291           |
| Rubber products manufacturing   | 17,899,685                           | 4,804,103                  | 1,738,840                      | 311,101  | 2,754,163   | 0                         | 13,103,180           |
| Nonmetallic mineral product manufacturing   | 21,516,189                           | 5,563,687                  | 2,061,325                      | 1,163,303  | 2,335,884   | * 3,175                   | 15,959,161           |
| Primary metal manufacturing   | 33,870,466                           | 8,101,917                  | 380,678                        | 2,317,370  | 5,403,788   | * 81                      | 25,818,325           |
| Fabricated metal product manufacturing  | 45,229,142                           | 8,398,684                  | 1,868,453                      | 1,697,630  | 4,832,226   | * 375                     | 36,916,954           |
| Machinery manufacturing   | 69,224,146                           | 15,315,796                 | 4,521,525                      | 2,510,913  | 8,277,359   | * 5,999                   | 54,051,036           |
| Computer and electronic product manufacturing   | 265,128,486                          | 96,770,283                 | 27,003,870                     | 18,345,549   | 51,415,939  | * 4,925                   | 168,640,963          |
| Communications equipment manufacturing  | 58,673,074                           | 22,819,060                 | 6,037,804                      | 1,137,988  | 15,643,268  | 0                         | 35,897,786           |
| Semiconductor and other electronic component manufacturing                            | 93,872,069                           | 33,338,834                 | 15,869,452                     | 8,539,199  | 8,925,258   | * 4,925                   | 60,588,418           |
| Other computer and electronic manufacturing   | 112,583,342                          | 40,612,389                 | 5,096,614                      | 8,668,361  | 26,847,414  | 0                         | 72,154,760           |
| Electric equipment, appliance, and component manufacturing                            | 75,101,658                           | 17,498,671                 | 4,388,948                      | 3,798,891  | 9,310,078   | * 755                     | 57,750,371           |
| Transportation equipment manufacturing  | 391,995,379                          | 100,818,602                | 19,907,591                     | 21,643,241   | 59,267,771  | 0                         | 291,388,221          |
| Motor vehicle, vehicle body and trailer, and vehicle parts manufacturing              | 374,907,425                          | 96,690,980                 | 19,008,187                     | 20,438,358   | 57,244,435  | 0                         | 278,418,990          |
| Other transportation equipment manufacturing  | 17,087,954                           | 4,127,622                  | 899,404                        | 1,204,883  | 2,023,336   | 0                         | 12,969,232           |
| Furniture and related product manufacturing   | 4,112,681                            | 718,660                    | 117,073                        | 174,003  | 427,585   | 0                         | 3,399,430            |
| Miscellaneous manufacturing   | 160,722,182                          | 69,817,919                 | 10,367,292                     | 8,958,231  | 50,492,138  | * 258                     | 91,127,308           |
| Medical and equipment supplies manufacturing  | 39,553,986                           | 17,506,915                 | 3,750,121                      | 4,324,806  | 9,431,989   | 0                         | 22,084,129           |
| Other miscellaneous manufacturing   | 121,168,197                          | 52,311,003                 | 6,617,171                      | 4,633,425  | 41,060,149  | * 258                     | 69,043,179           |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations      |                            |                                |  |   |                           |                    |
|---|--------------------------------------|----------------------------|--------------------------------|--|---|---------------------------|--------------------|
|   | Payments by foreign corporations to: |                            |                                |  |   |                           |                    |
|   | All recipients                       | All related parties, total | U.S. corporation filing return | Domestic corporations controlled by U.S. corporation filing return | Any foreign corporations controlled by U.S. corporation filing return | All other related parties | Unrelated parties  |
|   | (24)                                 | (25)                       | (26)                           | (27)   | (28)  | (29)                      | (30)               |
| <b>Distribution and transportation of goods</b>                                       | <b>1,214,566,615</b>                 | <b>341,376,042</b>         | <b>71,555,709</b>              | <b>74,637,195</b>  | <b>195,169,410</b>  | <b>13,729</b>             | <b>879,375,347</b> |
| Wholesale and retail trade  | 1,164,072,019                        | 321,154,538                | 68,459,388                     | 67,864,005   | 184,817,417   | 13,729                    | 847,187,374        |
| Wholesale trade   | 815,420,342                          | 266,192,082                | 60,915,465                     | 57,657,523   | 147,609,318   | * 9,775                   | 553,247,339        |
| Motor vehicle and motor vehicle parts and supplies wholesalers                        | 34,095,156                           | 8,380,475                  | 1,578,365                      | 2,790,294  | 4,011,816   | 0                         | 25,719,177         |
| Professional and commercial equipment and supplies wholesalers                        | 10,246,797                           | 5,345,262                  | 2,035,586                      | 1,405,599  | 1,904,077   | 0                         | 4,958,056          |
| Electrical and electronic goods wholesalers   | 82,836,389                           | 31,491,007                 | 15,529,355                     | 4,267,681  | 11,693,971  | 0                         | 51,614,538         |
| Machinery, equipment, and supplies wholesalers  | 55,978,988                           | 27,300,633                 | 11,620,560                     | 2,193,227  | 13,486,845  | 0                         | 31,210,790         |
| Drugs and druggists' sundries wholesalers   | 90,736,123                           | 30,490,326                 | 6,768,466                      | 3,423,761  | 20,298,098  | 0                         | 60,640,886         |
| Apparel, piece goods, and notions wholesalers   | 9,126,498                            | 2,651,158                  | 601,521                        | 283,031  | 1,761,388   | * 5,218                   | 6,495,755          |
| Grocery and related product wholesalers   | 25,376,323                           | 6,759,471                  | 611,924                        | 543,451  | 5,601,135   | * 2,961                   | 18,619,090         |
| Chemical and allied products wholesalers  | 34,590,325                           | 13,019,116                 | 3,494,590                      | 2,113,078  | 7,411,449   | 0                         | 21,656,807         |
| Petroleum and petroleum products wholesalers  | 208,310,018                          | 39,719,432                 | 1,289,292                      | 24,822,807   | 13,607,333  | 0                         | 168,680,470        |
| Other wholesale trade   | 264,123,725                          | 101,035,202                | 17,385,805                     | 15,814,595   | 67,833,206  | * 1,596                   | 163,651,770        |
| Retail trade  | 348,651,677                          | 54,962,456                 | 7,543,922                      | 10,206,481   | 37,208,099  | * 3,953                   | 293,940,035        |
| Motor vehicle dealers and parts dealers   | 19,327,493                           | 3,580,870                  | 47,966                         | 37,406   | 3,493,516   | * 1,983                   | 15,751,519         |
| Electronics and appliance stores  | 10,573,259                           | 2,564,276                  | 570,481                        | 109,447  | 1,884,348   | 0                         | 8,025,468          |
| Building materials and garden equipment and supplies dealers                          | 7,923,665                            | 1,805,362                  | 141,944                        | 290,856  | 1,372,562   | 0                         | 6,144,273          |
| Food and beverage stores  | 10,022,407                           | 903,211                    | 512,712                        | 80,303   | 310,196   | 0                         | 9,119,196          |
| Health and personal care stores   | 4,907,497                            | 879,970                    | * 258,098                      | 87,389   | 534,483   | 0                         | 4,027,905          |
| Clothing and clothing accessories stores  | 11,787,227                           | 1,997,790                  | 204,923                        | 573,162  | 1,219,705   | 0                         | 9,813,977          |
| General merchandise stores  | 107,261,136                          | 5,699,691                  | 1,146,651                      | * 1,110,506  | 3,440,564   | * 1,971                   | 101,561,445        |
| Electronic shopping and mail-order houses   | 6,277,608                            | 909,570                    | * 140,645                      | 269,404  | 499,521   | 0                         | 5,368,040          |
| Other retailers   | 170,571,384                          | 36,621,716                 | 4,520,502                      | 7,648,010  | 24,453,205  | 0                         | 134,128,211        |
| Transportation and warehousing  | 50,494,596                           | 20,221,504                 | 3,096,322                      | 6,773,190  | 10,351,992  | 0                         | 32,187,973         |
| Air transportation  | 5,069,039                            | 1,974,372                  | * 20,513                       | 345,154  | 1,608,705   | 0                         | 3,095,056          |
| Water transportation  | 7,282,919                            | 1,459,555                  | 252,735                        | 23,298   | 1,183,523   | 0                         | 5,824,055          |
| Truck transportation  | 4,461,509                            | 396,328                    | 56,599                         | 133,221  | 206,509   | 0                         | 4,065,206          |
| Support activities for transportation   | 21,949,520                           | 11,503,512                 | 2,438,787                      | 3,184,367  | 5,880,358   | 0                         | 12,205,822         |
| Other transportation  | 7,607,784                            | 3,169,532                  | 144,210                        | 2,878,197  | 147,126   | 0                         | 4,438,866          |
| Warehousing and storage   | 4,123,826                            | 1,718,205                  | 183,478                        | 208,954  | 1,325,773   | 0                         | 2,558,969          |
| <b>Information</b>  | <b>104,966,237</b>                   | <b>23,048,446</b>          | <b>2,100,995</b>               | <b>12,310,966</b>  | <b>8,630,748</b>  | <b>* 5,737</b>            | <b>82,469,017</b>  |
| Publishing industries   | 18,388,762                           | 4,923,101                  | 1,183,770                      | 2,271,633  | 1,466,643   | * 1,055                   | 13,486,960         |
| Newspaper, periodical, book and directory publishers                                  | 9,530,553                            | 1,803,228                  | 338,215                        | 661,633  | 802,325   | * 1,055                   | 7,744,254          |
| Software publishers   | 8,858,209                            | 3,119,873                  | 845,555                        | 1,610,001  | 664,318   | 0                         | 5,742,706          |
| Motion picture and sound recording industries   | 22,175,823                           | 8,239,520                  | * 46,133                       | 6,248,415  | 1,941,202   | * 3,769                   | 14,434,754         |
| Broadcasting (except internet)  | 7,607,290                            | 742,838                    | 56,710                         | 79,736   | 606,391   | 0                         | 6,868,505          |
| Internet publishing and broadcasting  | 194,738                              | 12,297                     | 3,717                          | * 1,401  | 7,178   | 0                         | 182,449            |
| Telecommunications  | 40,240,209                           | 6,347,724                  | 445,224                        | 2,518,990  | 3,382,598   | * 913                     | 33,913,240         |
| Internet service providers, web search portals, and data processing services          | 10,209,281                           | 977,115                    | 151,301                        | 267,417  | 558,396   | 0                         | 9,235,753          |
| Other information services  | 6,150,133                            | 1,805,853                  | 214,139                        | 923,373  | 668,340   | 0                         | 4,347,354          |
| <b>Finance, insurance, real estate, and rental and leasing</b>                        | <b>457,631,603</b>                   | <b>126,179,921</b>         | <b>9,047,119</b>               | <b>37,445,908</b>  | <b>79,682,490</b>   | <b>4,404</b>              | <b>334,572,841</b> |
| Finance and insurance   | 425,140,617                          | 121,076,046                | 8,519,108                      | 36,433,835   | 76,119,658  | 3,445                     | 306,794,704        |
| Credit intermediation and related activities  | 90,237,139                           | 24,745,470                 | 2,075,097                      | 7,439,260  | 15,230,795  | * 317                     | 66,241,297         |
| Depository credit intermediation  | 30,772,612                           | 8,199,966                  | 203,799                        | 3,435,259  | 4,560,908   | 0                         | 22,575,071         |
| Nondepository credit intermediation   | 50,475,532                           | 14,307,667                 | 1,762,764                      | 3,711,958  | 8,832,627   | * 317                     | 36,891,829         |
| Activities related to credit intermediation   | 8,988,995                            | 2,237,837                  | 108,533                        | 292,044  | 1,837,260   | 0                         | 6,774,396          |
| Securities, commodity contracts, and other financial investments and related products | 190,784,829                          | 70,360,255                 | 5,558,511                      | 23,824,356   | 40,974,779  | * 2,609                   | 121,905,976        |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Industrial sector and selected industrial subsector of Controlled Foreign Corporation | Controlled Foreign Corporations      |                            |                                |  |   |                           |                    |
|---|--------------------------------------|----------------------------|--------------------------------|--|---|---------------------------|--------------------|
|   | Payments by foreign corporations to: |                            |                                |  |   |                           |                    |
|   | All recipients                       | All related parties, total | U.S. corporation filing return | Domestic corporations controlled by U.S. corporation filing return | Any foreign corporations controlled by U.S. corporation filing return | All other related parties | Unrelated parties  |
|   | (24)                                 | (25)                       | (26)                           | (27)   | (28)  | (29)                      | (30)               |
| <b>Finance, insurance, real estate, and rental and leasing—continued</b>              |                                      |                            |                                |  |   |                           |                    |
| Insurance carriers and related activities   | 104,634,209                          | 6,595,916                  | 217,102                        | 2,209,826  | 4,168,911   | * 76                      | 98,447,591         |
| Insurance carriers  | 75,516,204                           | 2,749,654                  | 51,917                         | 987,762  | 1,709,975   | 0                         | 72,785,461         |
| Agencies, brokerages, and other insurance related activities                          | 29,118,005                           | 3,846,261                  | 165,186                        | 1,222,064  | 2,458,936   | * 76                      | 25,662,130         |
| Funds, trusts, and other financial activities   | 39,484,440                           | 19,374,406                 | 668,398                        | 2,960,393  | 15,745,172  | * 443                     | 20,199,841         |
| Real estate and rental and leasing  | 32,490,985                           | 5,103,875                  | 528,010                        | 1,012,073  | 3,562,833   | * 959                     | 27,778,136         |
| Rental and leasing services   | 18,926,803                           | 2,451,470                  | 209,809                        | 429,617  | 1,811,100   | * 944                     | 16,759,073         |
| Commercial and industrial machinery and equipment rental and leasing                  | 9,022,756                            | 1,898,468                  | 118,508                        | 250,523  | 1,529,357   | * 80                      | 7,402,612          |
| Other rental and leasing services   | 9,904,047                            | 553,002                    | 91,302                         | 179,094  | 281,743   | * 864                     | 9,356,460          |
| Other real estate and rental and leasing  | 13,564,182                           | 2,652,405                  | 318,201                        | 582,456  | 1,751,733   | * 15                      | 11,019,064         |
| <b>Services</b>   | <b>752,258,302</b>                   | <b>213,602,562</b>         | <b>40,010,897</b>              | <b>56,526,648</b>  | <b>117,061,308</b>  | <b>* 3,709</b>            | <b>542,308,582</b> |
| Professional, scientific, and technical services                                      | 302,612,380                          | 93,186,984                 | 20,961,955                     | 24,218,459   | 48,004,781  | * 1,789                   | 210,201,013        |
| Architectural, engineering, and related services                                      | 13,951,528                           | 1,984,792                  | 759,502                        | 265,809  | 958,967   | * 514                     | 11,980,780         |
| Computer system design and related services   | 149,371,981                          | 51,766,126                 | 14,078,541                     | 17,001,898   | 20,685,688  | 0                         | 98,121,155         |
| Custom computer programming services  | 2,755,557                            | 441,647                    | 190,492                        | 88,384   | 162,772   | 0                         | 2,316,621          |
| Computer systems design services  | 12,834,753                           | 3,949,734                  | 949,244                        | 1,336,300  | 1,664,190   | 0                         | 8,900,196          |
| services  | 133,781,671                          | 47,374,745                 | 12,938,805                     | 15,577,214   | 18,858,726  | 0                         | 86,904,338         |
| Management, scientific, and technical consulting services                             | 19,082,149                           | 4,483,602                  | 690,890                        | 245,162  | 3,547,551   | 0                         | 14,629,293         |
| Scientific research and development services  | 6,186,250                            | 1,056,760                  | 428,476                        | 190,111  | 438,172   | 0                         | 5,141,386          |
| Advertising and related services  | 45,341,587                           | 19,532,495                 | 205,745                        | 3,243,603  | 16,083,135  | * 12                      | 25,871,994         |
| Other professional, scientific, and technical services                                | 68,678,885                           | 14,363,209                 | 4,798,802                      | 3,271,876  | 6,291,269   | * 1,263                   | 54,456,405         |
| Management of companies and enterprises   | 357,325,156                          | 106,262,300                | 15,009,877                     | 28,938,915   | 62,311,842  | * 1,666                   | 253,339,311        |
| Administration and support and waste management and remediation services              | 41,128,344                           | 4,795,541                  | 768,815                        | 737,480  | 3,288,993   | * 254                     | 36,622,173         |
| Educational services  | 2,280,961                            | 218,318                    | 51,185                         | 74,795   | 92,338  | 0                         | 2,063,507          |
| Health care and social assistance   | 3,183,690                            | 550,363                    | 107,019                        | 76,132   | 367,212   | 0                         | 2,636,147          |
| Arts, entertainment, and recreation   | 4,493,659                            | 778,497                    | 132,571                        | 336,868  | 309,058   | 0                         | 3,733,620          |
| Accommodation and food services   | 25,862,960                           | 2,729,968                  | 1,071,755                      | 613,897  | 1,044,316   | 0                         | 23,135,804         |
| Other services (except public administration)   | 15,371,153                           | 5,080,590                  | 1,907,720                      | 1,530,101  | 1,642,769   | 0                         | 10,577,007         |
| <b>Nature of business not allocable</b>   | <b>387,157</b>                       | <b>39,453</b>              | <b>15,023</b>                  | <b>* 3,095</b>   | <b>21,335</b>   | <b>0</b>                  | <b>350,130</b>     |

\* Data should be used with caution because of the small number of returns on which they are based.

[1] Number of returns is not additive because some U.S. corporations had Controlled Foreign Corporations in more than one industrial sector. The industrial activity of the parent corporation filing the return often differs from that of the Controlled Foreign Corporations.

[2] Value is less than \$500.

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

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006**

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

| Selected country of incorporation of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                      |                       |                      |   |
|---|--|---------------------------------|----------------------|-----------------------|----------------------|---|
|   |  | Number of foreign corporations  | Total assets         |                       | Total receipts       | Current earnings and profits (less deficit) before income taxes |
|   |  |                                 | Beginning of year    | End of year           |                      |   |
|   | (1)                                    | (2)                             | (3)                  | (4)                   | (5)                  | (6)   |
| <b>All geographic regions</b>                                       | <b>11,873</b>                          | <b>78,249</b>                   | <b>9,809,404,944</b> | <b>11,666,004,281</b> | <b>4,819,870,637</b> | <b>509,527,961</b>  |
| <b>Latin America, total</b>   | <b>3,154</b>                           | <b>10,885</b>                   | <b>481,406,085</b>   | <b>548,309,807</b>    | <b>388,789,560</b>   | <b>43,579,426</b>   |
| Mexico  | 2,253                                  | 4,701                           | 257,929,524          | 289,934,644           | 203,604,893          | 19,072,528  |
| Central America and Caribbean countries, total                      | 507                                    | 1,334                           | 26,410,721           | 28,305,320            | 23,135,829           | 2,918,448   |
| Costa Rica  | 275                                    | 375                             | 4,043,574            | 5,049,709             | 5,214,938            | 514,402   |
| Dominican Republic  | 77                                     | 100                             | 2,034,300            | 2,842,808             | 1,691,160            | 412,878   |
| El Salvador   | 85                                     | 126                             | 2,692,347            | 2,761,045             | 3,012,990            | 172,530   |
| Guatemala   | 125                                    | 217                             | 3,581,758            | 3,963,097             | 4,308,221            | 355,209   |
| Honduras  | 80                                     | 147                             | 1,612,984            | 1,759,806             | 2,229,911            | 103,967   |
| Panama (including Canal Zone)                                       | 165                                    | 274                             | 11,499,994           | 10,744,720            | 6,003,866            | 1,304,859   |
| Other Central American and Caribbean countries                      | 70                                     | 95                              | 945,763              | 1,184,135             | 674,744              | 54,603  |
| South America, total  | 1,465                                  | 4,850                           | 197,065,840          | 230,069,843           | 162,048,838          | 21,588,449  |
| Argentina   | 589                                    | 912                             | 20,142,340           | 22,162,906            | 23,946,244           | 2,223,248   |
| Bolivia   | 42                                     | 58                              | 921,768              | 958,236               | 592,233              | 105,107   |
| Brazil  | 964                                    | 1,692                           | 108,824,260          | 130,631,204           | 85,296,215           | 10,777,914  |
| Chile   | 398                                    | 684                             | 33,817,510           | 35,605,584            | 16,325,176           | 3,396,013   |
| Colombia  | 264                                    | 391                             | 7,273,131            | 9,525,789             | 10,100,052           | 907,451   |
| Ecuador   | 94                                     | 161                             | 1,613,101            | 2,031,988             | 2,748,663            | 209,351   |
| Peru  | 196                                    | 245                             | 6,454,049            | 7,700,888             | 4,022,598            | 937,026   |
| Uruguay   | 144                                    | 201                             | 1,957,105            | 2,184,225             | 2,139,681            | 116,524   |
| Venezuela   | 301                                    | 462                             | 15,537,182           | 18,441,422            | 15,679,177           | 2,832,042   |
| Other South American countries                                      | 37                                     | 45                              | 525,394              | 827,601               | 1,198,798            | 83,772  |
| <b>Other Western Hemisphere, total</b>                              | <b>4,626</b>                           | <b>10,876</b>                   | <b>2,172,527,654</b> | <b>2,544,979,208</b>  | <b>1,019,494,063</b> | <b>134,595,165</b>  |
| Bahamas   | 94                                     | 385                             | 64,823,713           | 85,501,925            | 26,664,397           | 8,700,182   |
| Barbados  | 150                                    | 194                             | 10,290,125           | 11,513,230            | 4,453,877            | 1,027,583   |
| Bermuda   | 428                                    | 978                             | 600,562,946          | 729,332,704           | 230,203,753          | 48,924,357  |
| British Virgin Islands  | 254                                    | 424                             | 60,972,023           | 45,401,183            | 27,095,416           | 6,693,973   |
| Canada  | 3,776                                  | 6,935                           | 828,387,526          | 948,892,794           | 580,652,462          | 42,246,980  |
| Cayman Islands  | 652                                    | 1,580                           | 561,940,926          | 646,609,465           | 145,127,344          | 25,807,629  |
| Jamaica   | 42                                     | 54                              | 1,850,290            | 2,363,705             | 1,392,373            | 150,211   |
| Netherlands Antilles  | 92                                     | 130                             | 41,021,703           | 71,774,754            | 2,558,990            | 767,521   |
| Trinidad and Tobago   | 64                                     | 77                              | 1,217,587            | 1,324,969             | 530,117              | 79,894  |
| Other Western Hemisphere countries                                  | 65                                     | 118                             | 1,460,814            | 2,264,480             | 815,334              | 196,835   |
| <b>Europe, total</b>  | <b>5,922</b>                           | <b>34,158</b>                   | <b>5,754,586,651</b> | <b>6,957,738,461</b>  | <b>2,447,582,661</b> | <b>238,413,571</b>  |
| European Union, total   | 5,769                                  | 31,306                          | 5,342,396,764        | 6,502,796,706         | 2,156,381,207        | 196,063,572   |
| Austria   | 373                                    | 541                             | 21,997,195           | 25,466,744            | 22,746,988           | 2,876,760   |
| Belgium   | 664                                    | 1,189                           | 71,164,699           | 76,790,311            | 53,946,960           | 2,721,469   |
| Bulgaria  | 72                                     | 97                              | 400,605              | 511,158               | 701,503              | 51,709  |
| Cyprus  | 68                                     | 88                              | 2,254,381            | 3,807,464             | 1,779,738            | 49,359  |
| Czech Republic  | 339                                    | 511                             | 16,244,810           | 21,257,208            | 12,733,432           | 833,717   |
| Denmark   | 410                                    | 675                             | 27,368,353           | 34,207,215            | 18,176,843           | 1,330,041   |
| Estonia   | 52                                     | 64                              | 241,335              | 318,850               | 462,882              | 25,733  |
| Finland   | 241                                    | 355                             | 9,992,659            | 10,424,026            | 7,736,838            | 407,091   |
| France (including Corsica, Guadeloupe, Martinique, and Reunion)     | 1,463                                  | 3,381                           | 231,408,189          | 263,801,593           | 140,197,949          | 10,307,697  |
| Germany   | 1,888                                  | 4,160                           | 311,444,317          | 371,973,326           | 225,492,273          | 14,041,700  |
| Greece  | 179                                    | 246                             | 5,446,004            | 6,546,475             | 7,345,769            | 466,743   |
| Hungary   | 308                                    | 437                             | 16,942,871           | 23,508,144            | 12,464,526           | 1,083,197   |
| Ireland   | 642                                    | 1,140                           | 346,978,415          | 513,394,734           | 168,565,706          | 33,556,071  |
| Italy   | 909                                    | 1,699                           | 82,200,140           | 93,511,546            | 73,985,525           | 6,534,605   |
| Latvia  | 40                                     | 70                              | 275,227              | 774,430               | 587,527              | 12,716  |
| Lithuania   | 30                                     | 33                              | 366,339              | 550,882               | 739,317              | 57,533  |
| Luxembourg  | 294                                    | 515                             | 530,915,954          | 551,577,959           | 212,365,063          | 17,031,369  |
| Malta   | 18                                     | 23                              | 1,203,808            | 2,786,226             | 593,144              | 47,980  |
| Netherlands   | 1,365                                  | 3,123                           | 698,260,287          | 756,366,608           | 305,677,784          | 36,778,601  |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                    |                      |                    |   |
|---|--|---------------------------------|--------------------|----------------------|--------------------|---|
|   |  | Number of foreign corporations  | Total assets       |                      | Total receipts     | Current earnings and profits (less deficit) before income taxes |
|   |  |                                 | Beginning of year  | End of year          |                    |   |
|   | (1)                                    | (2)                             | (3)                | (4)                  | (5)                | (6)   |
| <b>Europe, total—continued</b>                                      |  |                                 |                    |                      |                    |   |
| Poland  | 456                                    | 742                             | 31,992,017         | 40,552,563           | 25,370,692         | 2,103,248   |
| Portugal (including Azores)   | 244                                    | 406                             | 21,417,409         | 26,213,294           | 15,072,920         | 1,994,242   |
| Romania   | 149                                    | 218                             | 3,723,976          | 4,870,540            | 4,117,303          | 303,759   |
| Slovakia  | 133                                    | 187                             | 3,125,511          | 4,375,561            | 2,980,161          | 177,337   |
| Slovenia  | 50                                     | 57                              | 729,475            | 842,614              | 1,175,832          | 76,612  |
| Spain (including Canary Isles)                                      | 842                                    | 1,599                           | 125,593,457        | 159,226,761          | 147,329,312        | 10,877,675  |
| Sweden  | 588                                    | 1,061                           | 70,956,850         | 88,946,389           | 49,553,736         | 4,569,835   |
| United Kingdom and Northern Ireland (including Gibraltar)           | 3,929                                  | 8,688                           | 2,709,752,480      | 3,420,194,083        | 644,481,488        | 47,746,771  |
| Other European countries, total                                     | 1,090                                  | 2,852                           | 412,189,887        | 454,941,755          | 291,201,453        | 42,349,999  |
| Croatia   | 49                                     | 68                              | 168,310            | 3,266,356            | 434,733            | 22,101  |
| Guernsey  | 40                                     | 67                              | 20,015,748         | 23,446,223           | 782,058            | 24,779  |
| Jersey  | 49                                     | 97                              | 42,457,209         | 43,477,664           | 4,073,416          | 1,359,224   |
| Norway  | 259                                    | 417                             | 24,087,419         | 27,235,279           | 16,693,323         | 5,223,855   |
| Russia  | 281                                    | 506                             | 7,530,413          | 9,771,847            | 14,970,113         | 1,495,127   |
| Switzerland   | 770                                    | 1,410                           | 312,118,290        | 336,084,352          | 247,790,701        | 32,592,690  |
| Ukraine   | 71                                     | 105                             | 1,476,105          | 2,173,446            | 3,593,532          | 406,140   |
| Other European countries  | 121                                    | 182                             | 4,336,392          | 9,486,590            | 2,863,577          | 1,226,082   |
| <b>Africa, total</b>  | <b>685</b>                             | <b>1,602</b>                    | <b>43,613,748</b>  | <b>55,052,222</b>    | <b>40,522,758</b>  | <b>5,597,439</b>  |
| North Africa, total   | 133                                    | 247                             | 5,094,448          | 5,915,620            | 4,452,263          | 306,348   |
| Egypt   | 76                                     | 119                             | 3,636,415          | 4,105,570            | 2,633,117          | 205,571   |
| Morocco   | 53                                     | 60                              | 1,060,330          | 1,179,921            | 1,162,001          | 42,012  |
| Other North African countries                                       | 43                                     | 67                              | 397,703            | 630,128              | 657,145            | 58,764  |
| East Africa, total  | 264                                    | 378                             | 12,676,787         | 18,919,344           | 4,578,539          | 67,159  |
| Mauritius   | 227                                    | 286                             | 11,524,881         | 17,715,305           | 3,168,592          | 29,474  |
| Other East African countries  | 53                                     | 92                              | 1,151,906          | 1,204,039            | 1,409,947          | 37,685  |
| West and Central Africa, total                                      | 104                                    | 248                             | 12,100,602         | 14,797,819           | 8,940,188          | 3,165,066   |
| Liberia   | 18                                     | 59                              | 5,796,356          | 6,616,291            | 2,176,432          | 793,299   |
| Nigeria   | 54                                     | 80                              | 5,258,490          | 6,967,593            | 4,769,924          | 2,356,647   |
| Other West and Central African countries                            | 54                                     | 109                             | 1,045,756          | 1,213,935            | 1,993,832          | 15,120  |
| Southern Africa, total  | 384                                    | 730                             | 13,741,910         | 15,419,439           | 22,551,769         | 2,058,866   |
| South Africa  | 376                                    | 643                             | 12,974,807         | 14,241,443           | 21,145,251         | 2,030,811   |
| Other Southern African countries                                    | 37                                     | 87                              | 767,103            | 1,177,996            | 1,406,518          | 28,055  |
| <b>Asia, total</b>  | <b>4,595</b>                           | <b>16,762</b>                   | <b>994,173,894</b> | <b>1,155,025,100</b> | <b>759,034,695</b> | <b>68,970,590</b>   |
| Central, Northern, and Southwestern Asia, total                     | 268                                    | 406                             | 11,578,285         | 18,072,692           | 24,070,125         | 2,019,487   |
| Turkey  | 221                                    | 317                             | 9,513,596          | 15,622,095           | 22,366,774         | 1,386,540   |
| Other Central, Northern, and Southwestern Asian countries           | 60                                     | 89                              | 2,064,689          | 2,450,597            | 1,703,351          | 632,947   |
| Middle East, total  | 699                                    | 1,067                           | 25,555,734         | 32,757,612           | 19,206,879         | 1,908,970   |
| Israel  | 564                                    | 803                             | 22,227,968         | 29,063,753           | 14,590,869         | 1,290,654   |
| United Arab Emirates  | 114                                    | 133                             | 1,003,210          | 1,383,594            | 2,236,985          | 259,218   |
| Other Middle East countries   | 83                                     | 131                             | 2,324,556          | 2,310,266            | 2,379,024          | 359,098   |
| Southern and Southeastern Asia, total                               | 2,123                                  | 5,919                           | 227,473,125        | 234,948,186          | 236,979,781        | 22,424,781  |
| India   | 1,158                                  | 1,634                           | 19,508,680         | 27,471,452           | 26,889,445         | 2,939,908   |
| Indonesia   | 216                                    | 338                             | 12,368,126         | 14,533,675           | 14,690,082         | 3,808,435   |
| Malaysia  | 497                                    | 829                             | 26,613,422         | 28,062,580           | 24,238,850         | 2,077,421   |
| Pakistan  | 47                                     | 54                              | 685,060            | 643,219              | 841,374            | 120,356   |
| Philippines   | 283                                    | 512                             | 15,287,201         | 16,472,137           | 13,970,420         | 1,688,779   |
| Singapore   | 1,068                                  | 1,681                           | 131,723,635        | 122,562,803          | 122,636,010        | 9,522,356   |
| Thailand  | 427                                    | 710                             | 20,544,544         | 24,236,140           | 32,292,708         | 2,161,851   |
| Vietnam   | 75                                     | 86                              | 491,190            | 587,807              | 646,735            | 9,755   |
| Other Southern and Southeastern Asian countries                     | 56                                     | 75                              | 251,267            | 378,373              | 774,158            | 95,920  |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                    |                    |                    |   |
|---|--|---------------------------------|--------------------|--------------------|--------------------|---|
|   |  | Number of foreign corporations  | Total assets       |                    | Total receipts     | Current earnings and profits (less deficit) before income taxes |
|   |  |                                 | Beginning of year  | End of year        |                    |   |
|   | (1)                                    | (2)                             | (3)                | (4)                | (5)                | (6)   |
| <b>Asia, total—continued</b>  |  |                                 |                    |                    |                    |   |
| Eastern Asia, total   | 3,206                                  | 9,370                           | 729,566,750        | 869,246,610        | 478,777,911        | 42,617,351  |
| China   | 1,739                                  | 3,426                           | 48,821,791         | 65,480,943         | 82,098,329         | 6,093,070   |
| Hong Kong   | 1,190                                  | 1,978                           | 102,736,702        | 119,123,338        | 66,151,498         | 9,856,015   |
| Japan (including Okinawa and Ryukyu Islands)                        | 1,379                                  | 2,554                           | 389,503,893        | 473,249,351        | 211,533,432        | 15,745,699  |
| South Korea   | 579                                    | 814                             | 123,047,880        | 133,887,527        | 79,929,828         | 8,016,576   |
| Taiwan  | 406                                    | 564                             | 64,278,381         | 76,829,374         | 37,246,615         | 2,825,450   |
| Other Eastern Asian countries                                       | 31                                     | 33                              | 1,178,102          | 676,076            | 1,818,209          | 80,542  |
| <b>Oceania, total</b>   | <b>1,408</b>                           | <b>3,423</b>                    | <b>332,046,177</b> | <b>372,069,714</b> | <b>135,424,439</b> | <b>15,814,134</b>   |
| Australia   | 1,289                                  | 2,651                           | 318,623,254        | 358,270,203        | 124,535,785        | 14,528,446  |
| New Zealand   | 428                                    | 639                             | 11,235,077         | 11,511,779         | 10,067,473         | 788,298   |
| Other countries of Oceania  | 51                                     | 133                             | 2,187,847          | 2,287,732          | 821,181            | 497,391   |
| <b>Puerto Rico and U.S. Possessions, total</b>                      | <b>359</b>                             | <b>542</b>                      | <b>31,050,735</b>  | <b>32,829,769</b>  | <b>29,022,461</b>  | <b>2,557,637</b>  |
| Puerto Rico   | 301                                    | 401                             | 23,807,087         | 26,731,941         | 26,729,345         | 2,148,215   |
| U.S. Possessions, total   | 83                                     | 141                             | 7,243,648          | 6,097,828          | 2,293,116          | 409,422   |
| Virgin Islands, U.S.  | 53                                     | 80                              | 6,781,941          | 5,656,167          | 1,342,697          | 398,558   |
| Other U.S. Possessions  | 37                                     | 61                              | 461,706            | 441,660            | 950,418            | 10,863  |
| <b>OPEC countries, total (countries included above)</b>             | <b>513</b>                             | <b>1,100</b>                    | <b>35,212,680</b>  | <b>42,603,875</b>  | <b>39,184,444</b>  | <b>9,544,563</b>  |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation of Controlled Foreign Corporation | Controlled Foreign Corporations |  |  |                   |   |
|---|---------------------------------|--|--|-------------------|---|
|   | Income taxes                    | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                   |   |
|   |                                 |  | Current earnings and profits before income taxes                               | Income taxes      | Current earnings and profits after income taxes |
|   | (7)                             | (8)  | (9)  | (10)              | (11)  |
| <b>All geographic regions</b>                                       | <b>98,616,121</b>               | <b>410,911,841</b>   | <b>587,825,240</b>   | <b>96,589,279</b> | <b>491,235,961</b>                              |
| <b>Latin America, total</b>   | <b>9,489,317</b>                | <b>34,090,109</b>  | <b>47,943,329</b>  | <b>9,282,154</b>  | <b>38,661,175</b>                               |
| Mexico  | 4,129,658                       | 14,942,871   | 20,876,637   | 4,047,120         | 16,829,517                                      |
| Central America and Caribbean countries, total                      | 499,034                         | 2,419,415  | 3,157,073  | 491,439           | 2,665,634                                       |
| Costa Rica  | 84,068                          | 430,334  | 574,827  | 82,799            | 492,028   |
| Dominican Republic  | 108,420                         | 304,458  | 424,009  | 107,973           | 316,036   |
| El Salvador   | 30,368                          | 142,162  | 193,094  | 30,713            | 162,380   |
| Guatemala   | 109,788                         | 245,421  | 387,139  | 107,729           | 279,410   |
| Honduras  | 19,867                          | 84,100   | 126,337  | 18,659            | 107,678   |
| Panama (including Canal Zone)                                       | 127,022                         | 1,177,837  | 1,380,909  | 125,072           | 1,255,837                                       |
| Other Central American and Caribbean countries                      | 19,501                          | 35,102   | 70,759   | 18,493            | 52,266  |
| South America, total  | 4,860,625                       | 16,727,824   | 23,909,619   | 4,743,595         | 19,166,024                                      |
| Argentina   | 607,794                         | 1,615,454  | 2,463,632  | 585,134           | 1,878,498                                       |
| Bolivia   | 18,139                          | 86,968   | 108,057  | 18,139            | 89,918  |
| Brazil  | 2,210,859                       | 8,567,055  | 12,350,824   | 2,142,259         | 10,208,565                                      |
| Chile   | 530,481                         | 2,865,533  | 3,629,752  | 527,047           | 3,102,705                                       |
| Colombia  | 310,649                         | 596,802  | 979,704  | 303,179           | 676,525   |
| Ecuador   | 43,418                          | 165,933  | 218,363  | 48,475            | 169,889   |
| Peru  | 201,295                         | 735,732  | 967,224  | 187,586           | 779,638   |
| Uruguay   | 20,789                          | 95,735   | 139,524  | 20,386            | 119,138   |
| Venezuela   | 896,019                         | 1,936,023  | 2,958,459  | 890,272           | 2,068,187                                       |
| Other South American countries                                      | 21,182                          | 62,590   | 94,081   | 21,119            | 72,962  |
| <b>Other Western Hemisphere, total</b>                              | <b>25,703,732</b>               | <b>108,891,433</b>   | <b>149,309,962</b>   | <b>25,551,085</b> | <b>123,758,876</b>                              |
| Bahamas   | 2,246,231                       | 6,453,951  | 9,543,271  | 2,235,140         | 7,308,131                                       |
| Barbados  | 67,578                          | 960,005  | 1,115,498  | 66,176            | 1,049,321                                       |
| Bermuda   | 6,181,646                       | 42,742,711   | 51,162,753   | 5,975,999         | 45,186,754                                      |
| British Virgin Islands  | 1,179,058                       | 5,514,914  | 6,914,892  | 1,177,044         | 5,737,848                                       |
| Canada  | 11,097,554                      | 31,149,426   | 51,159,373   | 11,239,260        | 39,920,113                                      |
| Cayman Islands  | 4,859,278                       | 20,948,351   | 28,081,689   | 4,790,190         | 23,291,499                                      |
| Jamaica   | 16,872                          | 133,339  | 162,378  | 16,880            | 145,498   |
| Netherlands Antilles  | 17,906                          | 749,615  | 814,172  | 17,651            | 796,521   |
| Trinidad and Tobago   | 17,272                          | 62,622   | 102,809  | 17,171            | 85,638  |
| Other Western Hemisphere countries                                  | 20,335                          | 176,500  | 253,126  | 15,573            | 237,553   |
| <b>Europe, total</b>  | <b>43,464,536</b>               | <b>194,949,035</b>   | <b>284,271,809</b>   | <b>41,952,088</b> | <b>242,319,721</b>                              |
| European Union, total   | 36,765,137                      | 159,298,435  | 239,703,520  | 35,306,914        | 204,396,606                                     |
| Austria   | 534,937                         | 2,341,823  | 3,045,236  | 529,180           | 2,516,056                                       |
| Belgium   | 831,836                         | 1,889,633  | 3,676,806  | 698,361           | 2,978,445                                       |
| Bulgaria  | 8,010                           | 43,699   | 61,293   | 7,857             | 53,436  |
| Cyprus  | 25,471                          | 23,888   | 199,850  | 19,410            | 180,439   |
| Czech Republic  | 239,138                         | 594,579  | 1,205,300  | 233,319           | 971,981   |
| Denmark   | 262,018                         | 1,068,023  | 1,848,564  | 254,789           | 1,593,775                                       |
| Estonia   | 2,169                           | 23,564   | 29,531   | * 1,988           | 27,543  |
| Finland   | 103,403                         | 303,688  | 567,676  | 102,384           | 465,291   |
| France (including Corsica, Guadeloupe, Martinique, and Reunion)     | 2,682,312                       | 7,625,385  | 13,770,124   | 2,622,813         | 11,147,312                                      |
| Germany   | 3,524,132                       | 10,517,569   | 17,766,711   | 3,284,382         | 14,482,329                                      |
| Greece  | 184,934                         | 281,809  | 553,983  | 174,307           | 379,676   |
| Hungary   | 125,593                         | 957,603  | 1,243,463  | 110,267           | 1,133,196                                       |
| Ireland   | 1,863,666                       | 31,692,405   | 37,551,579   | 1,803,293         | 35,748,286                                      |
| Italy   | 2,094,535                       | 4,440,070  | 7,677,287  | 2,005,529         | 5,671,758                                       |
| Latvia  | 4,351                           | 8,364  | 25,108   | 4,127             | 20,981  |
| Lithuania   | 13,214                          | 44,320   | 59,303   | 12,139            | 47,164  |
| Luxembourg  | 2,225,896                       | 14,805,473   | 17,818,751   | 2,201,999         | 15,616,752                                      |
| Malta   | 2,237                           | 45,743   | 49,620   | 2,229             | 47,391  |
| Netherlands   | 6,362,476                       | 30,416,124   | 41,989,586   | 6,181,833         | 35,807,753                                      |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation of Controlled Foreign Corporation | Controlled Foreign Corporations |  |  |                   |   |
|---|---------------------------------|--|--|-------------------|---|
|   | Income taxes                    | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                   |   |
|   |                                 |  | Current earnings and profits before income taxes                               | Income taxes      | Current earnings and profits after income taxes |
|   | (7)                             | (8)  | (9)  | (10)              | (11)  |
| <b>Europe, total—continued</b>                                      |                                 |  |  |                   |   |
| Poland  | 456,758                         | 1,646,490  | 2,354,257  | 450,743           | 1,903,514                                       |
| Portugal (including Azores)   | 399,881                         | 1,594,362  | 2,217,826  | 392,554           | 1,825,273                                       |
| Romania   | 65,140                          | 238,619  | 395,333  | 66,594            | 328,739   |
| Slovakia  | 34,870                          | 142,467  | 228,591  | 34,207            | 194,384   |
| Slovenia  | 19,790                          | 56,822   | 85,052   | 19,418            | 65,635  |
| Spain (including Canary Isles)                                      | 2,482,571                       | 8,395,103  | 12,267,631   | 2,432,325         | 9,835,305                                       |
| Sweden  | 558,087                         | 4,011,747  | 5,517,235  | 521,789           | 4,995,446                                       |
| United Kingdom and Northern Ireland (including Gibraltar)           | 11,657,709                      | 36,089,062   | 67,497,821   | 11,139,075        | 56,358,747                                      |
| Other European countries, total                                     | 6,699,399                       | 35,650,600   | 44,568,289   | 6,645,174         | 37,923,115                                      |
| Croatia   | 6,848                           | 15,253   | 45,931   | 6,837             | 39,094  |
| Guernsey  | 13,717                          | 11,062   | 151,943  | 13,036            | 138,907   |
| Jersey  | 56,356                          | 1,302,867  | 1,465,941  | 52,703            | 1,413,238                                       |
| Norway  | 3,513,510                       | 1,710,345  | 5,371,165  | 3,508,989         | 1,862,177                                       |
| Russia  | 512,279                         | 982,849  | 1,871,142  | 499,781           | 1,371,360                                       |
| Switzerland   | 2,278,570                       | 30,314,121   | 33,978,467   | 2,247,321         | 31,731,146                                      |
| Ukraine   | 113,299                         | 292,841  | 421,142  | 112,981           | 308,161   |
| Other European countries  | 204,820                         | 1,021,263  | 1,262,558  | 203,526           | 1,059,033                                       |
| <b>Africa, total</b>  | <b>1,341,405</b>                | <b>4,256,034</b>   | <b>7,373,014</b>   | <b>1,319,138</b>  | <b>6,053,877</b>                                |
| North Africa, total   | 65,164                          | 241,183  | 431,919  | 61,267            | 370,652   |
| Egypt   | 29,162                          | 176,410  | 255,978  | 26,679            | 229,299   |
| Morocco   | 24,682                          | 17,330   | 90,164   | 22,906            | 67,258  |
| Other North African countries                                       | 11,321                          | 47,444   | 85,777   | 11,682            | 74,095  |
| East Africa, total  | 175,402                         | -108,243   | 1,242,478  | 173,652           | 1,068,826                                       |
| Mauritius   | 155,015                         | -125,541   | 1,178,039  | 154,556           | 1,023,482                                       |
| Other East African countries  | 20,387                          | 17,298   | 64,439   | 19,096            | 45,344  |
| West and Central Africa, total                                      | 515,257                         | 2,649,809  | 3,416,527  | 508,310           | 2,908,217                                       |
| Liberia   | 151,889                         | 641,410  | 903,242  | * 151,812         | 751,430   |
| Nigeria   | 339,145                         | 2,017,502  | 2,431,233  | 336,567           | 2,094,667                                       |
| Other West and Central African countries                            | 24,223                          | -9,103   | 82,052   | 19,932            | 62,120  |
| Southern Africa, total  | 585,582                         | 1,473,284  | 2,282,090  | 575,909           | 1,706,181                                       |
| South Africa  | 533,215                         | 1,497,597  | 2,173,993  | 534,204           | 1,639,788                                       |
| Other Southern African countries                                    | 52,368                          | -24,313  | 108,097  | 41,705            | 66,393  |
| <b>Asia, total</b>  | <b>15,029,470</b>               | <b>53,941,119</b>  | <b>77,164,421</b>  | <b>14,962,900</b> | <b>62,201,521</b>                               |
| Central, Northern, and Southwestern Asia, total                     | 553,403                         | 1,466,084  | 2,213,235  | 541,237           | 1,671,998                                       |
| Turkey  | 334,357                         | 1,052,183  | 1,571,250  | 320,685           | 1,250,565                                       |
| Other Central, Northern, and Southwestern Asian countries           | 219,046                         | 413,901  | 641,985  | 220,552           | 421,433   |
| Middle East, total  | 278,983                         | 1,629,987  | 2,663,136  | 266,622           | 2,396,514                                       |
| Israel  | 239,763                         | 1,050,891  | 1,992,782  | 228,695           | 1,764,087                                       |
| United Arab Emirates  | 4,790                           | 254,427  | 281,262  | 4,654             | 276,609   |
| Other Middle East countries   | 34,430                          | 324,669  | 389,092  | 33,273            | 355,819   |
| Southern and Southeastern Asia, total                               | 4,583,945                       | 17,840,837   | 24,579,521   | 4,532,476         | 20,047,045                                      |
| India   | 738,078                         | 2,201,830  | 3,335,314  | 729,413           | 2,605,901                                       |
| Indonesia   | 2,069,040                       | 1,739,395  | 3,920,456  | 2,061,664         | 1,858,792                                       |
| Malaysia  | 266,214                         | 1,811,207  | 2,497,061  | 263,113           | 2,233,948                                       |
| Pakistan  | 27,899                          | 92,458   | 125,050  | 27,486            | 97,565  |
| Philippines   | 296,775                         | 1,392,004  | 1,844,842  | 297,709           | 1,547,133                                       |
| Singapore   | 705,707                         | 8,816,649  | 10,338,399   | 678,858           | 9,659,541                                       |
| Thailand  | 456,251                         | 1,705,600  | 2,372,653  | 451,221           | 1,921,432                                       |
| Vietnam   | 8,895                           | 860  | 43,501   | 8,702             | 34,799  |
| Other Southern and Southeastern Asian countries                     | 15,086                          | 80,834   | 102,245  | 14,312            | 87,934  |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation<br>of Controlled Foreign Corporation | Controlled Foreign Corporations |   |   |                  |   |
|--|---------------------------------|---|---|------------------|---|
|  | Income taxes                    | Current earnings<br>and profits (less<br>deficit) after<br>income taxes | Foreign corporations with current earnings and<br>profits (+) before income taxes |                  |   |
|  |                                 |   | Current earnings<br>and profits before<br>income taxes                            | Income taxes     | Current earnings<br>and profits after<br>income taxes |
|  | (7)                             | (8)   | (9)   | (10)             | (11)  |
| <b>Asia, total—continued</b>   |                                 |   |   |                  |   |
| Eastern Asia, total  | 9,613,139                       | 33,004,212  | 47,708,529  | 9,622,565        | 38,085,964  |
| China  | 760,268                         | 5,332,802   | 7,629,118   | 743,442          | 6,885,676   |
| Hong Kong  | 1,155,210                       | 8,700,804   | 10,354,815  | 1,146,019        | 9,208,796   |
| Japan (including Okinawa and Ryukyu Islands)                           | 5,483,472                       | 10,262,226  | 17,898,078  | 5,547,251        | 12,350,826  |
| South Korea  | 1,625,952                       | 6,390,624   | 8,470,298   | 1,617,035        | 6,853,262   |
| Taiwan   | 586,851                         | 2,238,599   | 3,217,556   | 567,442          | 2,650,114   |
| Other Eastern Asian countries  | 1,386                           | 79,156  | 138,665   | * 1,375          | 137,289   |
| <b>Oceania, total</b>  | <b>3,228,086</b>                | <b>12,586,048</b>   | <b>18,444,062</b>   | <b>3,171,976</b> | <b>15,272,086</b>                                     |
| Australia  | 2,975,906                       | 11,552,539  | 16,984,045  | 2,920,761        | 14,063,284  |
| New Zealand  | 212,109                         | 576,189   | 937,213   | 212,617          | 724,595   |
| Other countries of Oceania   | 40,071                          | 457,320   | 522,804   | 38,598           | 484,206   |
| <b>Puerto Rico and U.S. Possessions, total</b>                         | <b>359,575</b>                  | <b>2,198,062</b>  | <b>3,318,643</b>  | <b>349,938</b>   | <b>2,968,706</b>                                      |
| Puerto Rico  | 278,746                         | 1,869,469   | 2,756,495   | 275,136          | 2,481,358   |
| U.S. Possessions, total  | 80,829                          | 328,593   | 562,148   | 74,801           | 487,347   |
| Virgin Islands, U.S.   | 58,983                          | 339,575   | 474,813   | 59,609           | 415,204   |
| Other U.S. Possessions   | 21,846                          | -10,982   | 87,336  | 15,192           | 72,143  |
| <b>OPEC countries, total (countries included above)</b>                | <b>3,349,888</b>                | <b>6,194,675</b>  | <b>9,909,395</b>  | <b>3,333,194</b> | <b>6,576,201</b>                                      |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation of Controlled Foreign Corporation | Controlled Foreign Corporations           |   |                                       |  |                        |
|---|---|---|---------------------------------------|--|------------------------|
|   | Distributions out of earnings and profits |   |                                       | Dividends paid to controlling U.S. corporation | Total Subpart F income |
|   | Total                                     | Not previously taxed earnings and profits | Previously taxed earnings and profits |  |                        |
| (12)  | (13)                                      | (14)                                      | (15)                                  | (16)   |                        |
| <b>All geographic regions</b>                                       | <b>188,640,507</b>                        | <b>124,452,014</b>                        | <b>64,188,494</b>                     | <b>61,555,842</b>                              | <b>60,027,807</b>      |
| <b>Latin America, total</b>   | <b>17,510,083</b>                         | <b>15,272,061</b>                         | <b>2,238,022</b>                      | <b>7,709,905</b>                               | <b>1,840,557</b>       |
| Mexico  | 5,457,542                                 | 4,901,587                                 | 555,954                               | 2,009,679                                      | 491,153                |
| Central America and Caribbean countries, total                      | 3,467,349                                 | 2,858,736                                 | 608,613                               | 2,431,619                                      | 364,492                |
| Costa Rica  | 108,860                                   | 105,578                                   | * 3,282                               | 33,591   | 48,886                 |
| Dominican Republic  | 2,186,154                                 | 2,182,849                                 | * 3,305                               | * 2,166,112                                    | 7,534                  |
| El Salvador   | 116,814                                   | 107,959                                   | * 8,855                               | 39,818   | 17,917                 |
| Guatemala   | 59,463                                    | 56,644                                    | * 2,819                               | 19,381   | 15,174                 |
| Honduras  | 30,406                                    | 30,103                                    | * 304                                 | * 24,914                                       | * 19,443               |
| Panama (including Canal Zone)                                       | 900,075                                   | 310,026                                   | 590,049                               | 83,768   | 255,058                |
| Other Central American and Caribbean countries                      | * 65,577                                  | * 65,577                                  | 0                                     | * 64,035                                       | * 480                  |
| South America, total  | 8,585,192                                 | 7,511,738                                 | 1,073,454                             | 3,268,608                                      | 984,912                |
| Argentina   | 637,803                                   | 533,909                                   | 103,894                               | 131,234  | 99,322                 |
| Bolivia   | 30,021                                    | 18,634                                    | * 11,388                              | * 8,338  | * 2,328                |
| Brazil  | 4,375,340                                 | 3,724,040                                 | 651,300                               | 1,599,919                                      | 450,908                |
| Chile   | 1,946,962                                 | 1,818,627                                 | 128,335                               | 1,124,879                                      | 201,017                |
| Colombia  | 158,774                                   | 139,615                                   | * 19,159                              | 86,913   | 22,222                 |
| Ecuador   | 61,791                                    | 59,723                                    | * 2,068                               | 30,641   | * 3,613                |
| Peru  | 118,862                                   | 65,961                                    | * 52,901                              | 47,511   | 69,484                 |
| Uruguay   | 51,588                                    | 39,573                                    | * 12,016                              | 5,574  | 35,906                 |
| Venezuela   | 1,188,468                                 | 1,107,368                                 | 81,100                                | 233,301  | 67,585                 |
| Other South American countries                                      | * 15,582                                  | * 4,288                                   | * 11,294                              | * 298  | * 32,527               |
| <b>Other Western Hemisphere, total</b>                              | <b>49,841,558</b>                         | <b>32,685,475</b>                         | <b>17,156,082</b>                     | <b>18,867,493</b>                              | <b>18,137,992</b>      |
| Bahamas   | 5,712,604                                 | 2,840,804                                 | 2,871,800                             | 1,667,676                                      | 1,846,022              |
| Barbados  | 475,929                                   | 409,653                                   | 66,276                                | * 374,804                                      | 131,568                |
| Bermuda   | 11,129,171                                | 4,900,301                                 | 6,228,869                             | 1,683,634                                      | 9,490,958              |
| British Virgin Islands  | 911,259                                   | 392,800                                   | 518,459                               | 83,872   | 255,042                |
| Canada  | 21,057,219                                | 17,069,974                                | 3,987,245                             | 11,404,255                                     | 2,284,098              |
| Cayman Islands  | 10,297,776                                | 6,898,983                                 | 3,398,793                             | 3,547,555                                      | 3,645,881              |
| Jamaica   | * 33,322                                  | * 10,478                                  | * 22,844                              | * 10,396                                       | * 3,726                |
| Netherlands Antilles  | 81,181                                    | 69,403                                    | * 11,778                              | * 23,584                                       | 446,373                |
| Trinidad and Tobago   | * 51,232                                  | * 51,232                                  | 0                                     | * 39,984                                       | * 2,170                |
| Other Western Hemisphere countries                                  | 91,866                                    | 41,847                                    | * 50,019                              | * 31,733                                       | 32,154                 |
| <b>Europe, total</b>  | <b>88,281,715</b>                         | <b>51,254,722</b>                         | <b>37,026,993</b>                     | <b>23,497,316</b>                              | <b>32,344,576</b>      |
| European Union, total   | 76,903,675                                | 46,213,479                                | 30,690,195                            | 20,881,914                                     | 27,668,974             |
| Austria   | 1,197,012                                 | 504,332                                   | 692,680                               | 131,946  | 753,302                |
| Belgium   | 1,249,706                                 | 1,010,694                                 | 239,012                               | 507,523  | 354,935                |
| Bulgaria  | * 22,490                                  | * 22,490                                  | 0                                     | * 22,226                                       | * 1,293                |
| Cyprus  | 49,002                                    | * 12,058                                  | * 36,944                              | * 7,745  | 36,916                 |
| Czech Republic  | 471,985                                   | 385,648                                   | 86,337                                | 223,334  | 126,650                |
| Denmark   | 733,016                                   | 258,492                                   | 474,524                               | 105,409  | 209,601                |
| Estonia   | * 6,981                                   | * 6,981                                   | 0                                     | * 212  | * 1,404                |
| Finland   | 388,975                                   | 104,904                                   | 284,071                               | 16,257   | 32,006                 |
| France (including Corsica, Guadeloupe, Martinique, and Reunion)     | 5,365,108                                 | 3,978,465                                 | 1,386,643                             | 949,605  | 1,168,151              |
| Germany   | 5,834,040                                 | 4,659,289                                 | 1,174,750                             | 1,607,722                                      | 1,571,630              |
| Greece  | 220,705                                   | 171,790                                   | * 48,916                              | 92,065   | * 8,928                |
| Hungary   | 445,102                                   | 162,631                                   | 282,471                               | 88,619   | 305,212                |
| Ireland   | 7,729,109                                 | 2,832,688                                 | 4,896,421                             | 1,486,584                                      | 5,090,290              |
| Italy   | 2,174,589                                 | 1,860,467                                 | 314,123                               | 569,297  | 342,161                |
| Latvia  | * 4,112                                   | * 1,901                                   | * 2,211                               | * 923  | * 2,576                |
| Lithuania   | * 774                                     | * 774                                     | 0                                     | 0  | * 2,391                |
| Luxembourg  | 9,769,148                                 | 2,606,972                                 | 7,162,175                             | 1,854,603                                      | 3,833,812              |
| Malta   | * 12,067                                  | * 11,858                                  | * 209                                 | 0  | * 192                  |
| Netherlands   | 13,787,867                                | 10,055,264                                | 3,732,603                             | 5,901,488                                      | 4,303,990              |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation<br>of Controlled Foreign Corporation | Controlled Foreign Corporations           |   |   |  |                           |
|--|---|---|---|--|---------------------------|
|  | Distributions out of earnings and profits |   |   | Dividends paid to<br>controlling U.S.<br>corporation | Total Subpart F<br>income |
|  | Total                                     | Not previously<br>taxed earnings<br>and profits | Previously taxed<br>earnings and<br>profits |  |                           |
| (12)   | (13)                                      | (14)  | (15)  | (16)   |                           |
| <b>Europe, total—continued</b>   |   |   |   |  |                           |
| Poland   | 798,512                                   | 738,585   | 59,927                                      | 288,718  | 72,257                    |
| Portugal (including Azores)  | 1,297,216                                 | 369,940   | 927,277                                     | 58,575   | 495,546                   |
| Romania  | 154,228                                   | 150,071   | * 4,158                                     | 62,826   | 8,594                     |
| Slovakia   | 39,745                                    | 38,314  | * 1,431                                     | * 17,597   | * 6,403                   |
| Slovenia   | 24,416                                    | * 20,581  | * 3,835                                     | * 12,672   | * 12,037                  |
| Spain (including Canary Isles)   | 4,564,238                                 | 3,735,579                                       | 828,659                                     | 3,219,268  | 521,740                   |
| Sweden   | 3,660,956                                 | 2,429,310                                       | 1,231,646                                   | 146,830  | 163,250                   |
| United Kingdom and Northern Ireland (including Gibraltar)              | 16,902,576                                | 10,083,403                                      | 6,819,173                                   | 3,509,869  | 8,243,708                 |
| Other European countries, total  | 11,378,040                                | 5,041,243                                       | 6,336,797                                   | 2,615,402  | 4,675,601                 |
| Croatia  | * 72,966                                  | * 72,966  | 0   | * 9,994  | * 11                      |
| Guernsey   | * 19,378                                  | * 11,205  | * 8,173                                     | * 1,750  | 63,138                    |
| Jersey   | 237,091                                   | * 102,078                                       | 135,013                                     | * 68,630   | 503,332                   |
| Norway   | 1,705,415                                 | 1,596,136                                       | 109,279                                     | 1,456,179  | 58,482                    |
| Russia   | 653,841                                   | 651,201   | * 2,640                                     | 146,344  | * 9,895                   |
| Switzerland  | 8,428,623                                 | 2,387,279                                       | 6,041,344                                   | 834,622  | 3,998,804                 |
| Ukraine  | * 154,140                                 | * 154,140                                       | 0   | * 39,330   | * 168                     |
| Other European countries   | 106,587                                   | 66,239  | * 40,348                                    | * 58,552   | 41,771                    |
| <b>Africa, total</b>   | <b>2,400,541</b>                          | <b>1,774,391</b>                                | <b>626,150</b>                              | <b>1,183,035</b>                                     | <b>447,871</b>            |
| North Africa, total  | 136,529                                   | 135,826   | * 703                                       | 20,641   | 2,466                     |
| Egypt  | 85,323                                    | 84,676  | * 647                                       | 17,740   | 1,841                     |
| Morocco  | 32,010                                    | 32,010  | 0   | * 877  | * 526                     |
| Other North African countries  | * 19,197                                  | * 19,140  | * 56  | * 2,023  | * 99                      |
| East Africa, total   | 985,378                                   | 695,554   | 289,824                                     | 661,780  | 272,544                   |
| Mauritius  | 977,435                                   | 687,871   | 289,563                                     | 659,521  | 272,337                   |
| Other East African countries   | * 7,943                                   | * 7,683   | * 260                                       | * 2,258  | * 206                     |
| West and Central Africa, total   | 455,650                                   | 202,534   | * 253,116                                   | 185,191  | 38,943                    |
| Liberia  | * 328,699                                 | * 82,568  | * 246,131                                   | * 82,568   | 14,998                    |
| Nigeria  | 79,255                                    | 76,536  | * 2,719                                     | * 65,740   | * 8,399                   |
| Other West and Central African countries                               | 47,696                                    | 43,431  | * 4,265                                     | * 36,883   | * 15,546                  |
| Southern Africa, total   | 822,984                                   | 740,477   | 82,508                                      | 315,424  | 133,918                   |
| South Africa   | 797,660                                   | 716,974   | 80,686                                      | 306,343  | 132,926                   |
| Other Southern African countries                                       | 25,325                                    | 23,503  | * 1,821                                     | * 9,080  | * 992                     |
| <b>Asia, total</b>   | <b>20,791,514</b>                         | <b>16,223,199</b>                               | <b>4,568,315</b>                            | <b>6,341,419</b>                                     | <b>6,112,474</b>          |
| Central, Northern, and Southwestern Asia, total                        | 745,272                                   | 615,324   | 129,949                                     | 292,934  | 96,130                    |
| Turkey   | 661,663                                   | 532,344   | * 129,319                                   | 255,678  | 95,265                    |
| Other Central, Northern, and Southwestern Asian countries              | * 83,609                                  | * 82,979  | * 630                                       | * 37,256   | * 864                     |
| Middle East, total   | 400,674                                   | 366,834   | 33,840                                      | 100,581  | 193,639                   |
| Israel   | 86,630                                    | 77,247  | * 9,383                                     | 26,671   | 115,088                   |
| United Arab Emirates   | 112,168                                   | 91,022  | * 21,146                                    | * 1,895  | 65,784                    |
| Other Middle East countries  | 201,875                                   | 198,564   | * 3,311                                     | 72,016   | 12,767                    |
| Southern and Southeastern Asia, total                                  | 7,125,069                                 | 5,135,712                                       | 1,989,357                                   | 2,045,413  | 1,558,063                 |
| India  | 272,855                                   | 257,875   | 14,979                                      | 114,784  | 159,875                   |
| Indonesia  | 1,204,781                                 | 1,193,376                                       | * 11,405                                    | 186,213  | 14,443                    |
| Malaysia   | 360,936                                   | 347,623   | 13,313                                      | 168,862  | 80,480                    |
| Pakistan   | 27,224                                    | 26,265  | * 959                                       | * 11,650   | * 2,443                   |
| Philippines  | 1,537,912                                 | 457,100   | 1,080,812                                   | 159,826  | 294,040                   |
| Singapore  | 3,239,339                                 | 2,405,350                                       | 833,990                                     | 1,167,118  | 849,515                   |
| Thailand   | 457,171                                   | 423,768   | 33,404                                      | 232,943  | 151,271                   |
| Vietnam  | * 6,640                                   | * 6,640   | 0   | * 1,600  | * 2,261                   |
| Other Southern and Southeastern Asian countries                        | 18,211                                    | 17,715  | * 496                                       | * 2,417  | * 3,735                   |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation<br>of Controlled Foreign Corporation | Controlled Foreign Corporations           |   |   |  |                           |
|--|---|---|---|--|---------------------------|
|  | Distributions out of earnings and profits |   |   | Dividends paid to<br>controlling U.S.<br>corporation | Total Subpart F<br>income |
|  | Total                                     | Not previously<br>taxed earnings<br>and profits | Previously taxed<br>earnings and<br>profits |  |                           |
| (12)   | (13)                                      | (14)  | (15)  | (16)   |                           |
| <b>Asia, total—continued</b>   |   |   |   |  |                           |
| Eastern Asia, total  | 12,520,500                                | 10,105,330                                      | 2,415,170                                   | 3,902,491  | 4,264,642                 |
| China  | 1,465,851                                 | 1,380,503                                       | 85,348                                      | 488,399  | 307,378                   |
| Hong Kong  | 3,224,105                                 | 1,857,018                                       | 1,367,086                                   | 610,673  | 1,380,906                 |
| Japan (including Okinawa and Ryukyu Islands)                           | 5,485,590                                 | 4,880,191                                       | 605,399                                     | 1,615,720  | 1,866,363                 |
| South Korea  | 1,887,908                                 | 1,558,334                                       | 329,574                                     | 977,938  | 626,465                   |
| Taiwan   | 453,657                                   | 426,758   | 26,899                                      | 209,293  | 67,123                    |
| Other Eastern Asian countries  | * 3,389                                   | * 2,526   | * 863                                       | * 469  | * 16,407                  |
| <b>Oceania, total</b>  | <b>8,908,895</b>                          | <b>6,431,754</b>                                | <b>2,477,140</b>                            | <b>3,354,948</b>                                     | <b>1,015,467</b>          |
| Australia  | 8,376,946                                 | 6,164,793                                       | 2,212,152                                   | 3,226,269  | 855,852                   |
| New Zealand  | 312,307                                   | 246,712   | 65,594                                      | 121,077  | 79,235                    |
| Other countries of Oceania   | 219,642                                   | 20,249  | * 199,394                                   | * 7,602  | 80,380                    |
| <b>Puerto Rico and U.S. Possessions, total</b>                         | <b>906,201</b>                            | <b>810,410</b>                                  | <b>95,791</b>                               | <b>601,727</b>                                       | <b>128,871</b>            |
| Puerto Rico  | 672,101                                   | 579,126   | 92,974                                      | 371,857  | 121,546                   |
| U.S. Possessions, total  | 234,100                                   | 231,284   | * 2,816                                     | 229,870  | 7,326                     |
| Virgin Islands, U.S.   | 208,378                                   | 207,703   | * 675                                       | * 207,012  | * 3,472                   |
| Other U.S. Possessions   | 25,723                                    | * 23,581  | * 2,142                                     | * 22,858   | * 3,854                   |
| <b>OPEC countries, total (countries included above)</b>                | <b>2,763,161</b>                          | <b>2,644,583</b>                                | <b>118,578</b>                              | <b>554,691</b>                                       | <b>162,115</b>            |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation of Controlled Foreign Corporation | Controlled Foreign Corporations        |                            |                                |  |   |                           |                      |
|---|--|----------------------------|--------------------------------|--|---|---------------------------|----------------------|
|   | Receipts by foreign corporations from: |                            |                                |  |   |                           |                      |
|   | All sources                            | All related parties, total | U.S. corporation filing return | Domestic corporations controlled by U.S. corporation filing return | Any foreign corporations controlled by U.S. corporation filing return | All other related parties | Unrelated parties    |
|   | (17)                                   | (18)                       | (19)                           | (20)   | (21)  | (22)                      | (23)                 |
| <b>All geographic regions</b>                                       | <b>4,819,870,637</b>                   | <b>1,326,943,908</b>       | <b>227,694,388</b>             | <b>269,152,485</b>   | <b>829,974,925</b>  | <b>122,110</b>            | <b>3,535,062,255</b> |
| <b>Latin America, total</b>   | <b>388,789,560</b>                     | <b>97,821,424</b>          | <b>20,550,342</b>              | <b>19,990,623</b>  | <b>57,280,238</b>   | <b>* 221</b>              | <b>293,304,085</b>   |
| Mexico  | 203,604,893                            | 61,660,577                 | 14,862,627                     | 14,128,680   | 32,669,264  | * 6                       | 143,604,783          |
| Central America and Caribbean countries, total                      | 23,135,829                             | 6,255,038                  | 1,072,779                      | 1,234,248  | 3,948,011   | 0                         | 16,997,243           |
| Costa Rica  | 5,214,938                              | 1,671,183                  | 586,029                        | 173,409  | 911,745   | 0                         | 3,545,088            |
| Dominican Republic  | 1,691,160                              | 163,398                    | * 30,378                       | 70,808   | 62,212  | 0                         | 1,527,763            |
| El Salvador   | 3,012,990                              | 732,379                    | * 18,196                       | 25,830   | 688,353   | 0                         | 2,282,218            |
| Guatemala   | 4,308,221                              | 687,812                    | 73,361                         | 19,757   | 594,694   | 0                         | 3,628,185            |
| Honduras  | 2,229,911                              | 1,237,281                  | 331,210                        | 389,372  | 516,698   | 0                         | 992,970              |
| Panama (including Canal Zone)                                       | 6,003,866                              | 1,657,540                  | 33,605                         | 534,612  | 1,089,323   | 0                         | 4,451,721            |
| Other Central American and Caribbean countries                      | 674,744                                | 105,446                    | 0                              | * 20,460   | 84,986  | 0                         | 569,298              |
| South America, total  | 162,048,838                            | 29,905,809                 | 4,614,936                      | 4,627,695  | 20,662,963  | * 215                     | 132,702,058          |
| Argentina   | 23,946,244                             | 6,861,228                  | 854,210                        | 759,136  | 5,247,882   | 0                         | 17,207,422           |
| Bolivia   | 592,233                                | 162,871                    | * 1,472                        | * 2,310  | 158,874   | * 215                     | 429,686              |
| Brazil  | 85,296,215                             | 12,770,127                 | 1,208,729                      | 2,125,000  | 9,436,399   | 0                         | 72,750,762           |
| Chile   | 16,325,176                             | 3,326,048                  | 369,026                        | 811,237  | 2,145,785   | 0                         | 13,193,338           |
| Colombia  | 10,100,052                             | 1,565,880                  | 69,675                         | 191,686  | 1,304,519   | 0                         | 8,537,001            |
| Ecuador   | 2,748,663                              | 871,972                    | 310,848                        | 32,816   | 528,308   | 0                         | 1,882,816            |
| Peru  | 4,022,598                              | 820,962                    | 61,212                         | 549,075  | 210,675   | 0                         | 3,201,844            |
| Uruguay   | 2,139,681                              | 494,438                    | 17,856                         | 77,148   | 399,434   | 0                         | 1,647,723            |
| Venezuela   | 15,679,177                             | 2,395,579                  | 1,721,504                      | 69,137   | 604,938   | 0                         | 13,284,599           |
| Other South American countries                                      | 1,198,798                              | 636,702                    | * 405                          | * 10,149   | 626,148   | 0                         | 566,867              |
| <b>Other Western Hemisphere, total</b>                              | <b>1,019,494,063</b>                   | <b>268,022,647</b>         | <b>75,876,667</b>              | <b>96,329,337</b>  | <b>95,725,975</b>   | <b>* 90,668</b>           | <b>754,763,062</b>   |
| Bahamas   | 26,664,397                             | 10,223,617                 | * 1,285,365                    | 5,454,274  | 3,483,978   | 0                         | 16,757,643           |
| Barbados  | 4,453,877                              | 634,590                    | 107,639                        | 245,481  | 281,471   | 0                         | 3,837,414            |
| Bermuda   | 230,203,753                            | 75,030,866                 | 17,130,308                     | 24,891,341   | 33,009,216  | 0                         | 155,949,992          |
| British Virgin Islands  | 27,095,416                             | 11,321,938                 | 932,122                        | 4,479,166  | 5,910,650   | 0                         | 15,779,786           |
| Canada  | 580,652,462                            | 143,023,527                | 47,854,292                     | 58,078,989   | 37,002,683  | * 87,564                  | 438,831,051          |
| Cayman Islands  | 145,127,344                            | 26,628,115                 | 8,537,496                      | 3,006,580  | 15,080,935  | * 3,104                   | 119,405,245          |
| Jamaica   | 1,392,373                              | 44,426                     | * 3,720                        | * 26,351   | 14,356  | 0                         | 1,347,947            |
| Netherlands Antilles  | 2,558,990                              | 1,000,954                  | * 13,602                       | 115,244  | 872,108   | 0                         | 1,622,891            |
| Trinidad and Tobago   | 530,117                                | 32,400                     | * 2,277                        | * 9,946  | 20,177  | 0                         | 497,717              |
| Other Western Hemisphere countries                                  | 815,334                                | 82,213                     | * 9,847                        | 21,965   | 50,401  | 0                         | 733,376              |
| <b>Europe, total</b>  | <b>2,447,582,661</b>                   | <b>726,037,309</b>         | <b>77,177,106</b>              | <b>107,205,884</b>   | <b>541,640,747</b>  | <b>13,572</b>             | <b>1,754,036,954</b> |
| European Union, total   | 2,156,381,207                          | 569,298,710                | 53,737,258                     | 93,465,516   | 422,082,417   | 13,518                    | 1,600,587,038        |
| Austria   | 22,746,988                             | 5,310,558                  | 103,722                        | 3,190,868  | 2,015,967   | 0                         | 17,527,436           |
| Belgium   | 53,946,960                             | 21,584,643                 | 482,023                        | 1,400,201  | 19,702,312  | * 106                     | 34,329,087           |
| Bulgaria  | 701,503                                | 254,015                    | * 11,416                       | * 6,507  | 236,092   | 0                         | 447,489              |
| Cyprus  | 1,779,738                              | 236,559                    | * 30,969                       | 48,798   | 156,792   | 0                         | 1,546,725            |
| Czech Republic  | 12,733,432                             | 3,004,982                  | 188,572                        | 202,241  | 2,614,168   | 0                         | 9,754,766            |
| Denmark   | 18,176,843                             | 3,681,655                  | 208,231                        | 318,972  | 3,154,452   | 0                         | 14,596,638           |
| Estonia   | 462,882                                | 240,602                    | * 33,011                       | * 46,248   | 161,343   | 0                         | 224,806              |
| Finland   | 7,736,838                              | 1,452,681                  | 52,878                         | 175,284  | 1,224,519   | 0                         | 6,285,960            |
| France (including Corsica, Guadeloupe, Martinique, and Reunion)     | 140,197,949                            | 36,627,707                 | 2,736,735                      | 3,228,378  | 30,662,594  | 0                         | 106,036,600          |
| Germany   | 225,492,273                            | 66,092,806                 | 5,639,371                      | 4,212,729  | 56,240,706  | 0                         | 160,189,986          |
| Greece  | 7,345,769                              | 510,461                    | 11,201                         | 50,773   | 448,488   | 0                         | 6,863,720            |
| Hungary   | 12,464,526                             | 4,184,191                  | 287,499                        | 826,379  | 3,070,314   | 0                         | 8,321,268            |
| Ireland   | 168,565,706                            | 55,645,611                 | 7,732,481                      | 13,616,001   | 34,297,027  | * 102                     | 113,815,175          |
| Italy   | 73,985,525                             | 11,560,572                 | 902,472                        | 640,763  | 10,011,496  | * 5,842                   | 62,956,629           |
| Latvia  | 587,527                                | 53,956                     | * 37                           | * 1,022  | 52,897  | 0                         | 534,860              |
| Lithuania   | 739,317                                | 398,215                    | * 279                          | * 8,987  | 388,949   | 0                         | 341,176              |
| Luxembourg  | 212,365,063                            | 28,478,754                 | 1,263,936                      | 3,701,742  | 23,513,076  | 0                         | 184,116,816          |
| Malta   | 593,144                                | 115,332                    | * 628                          | * 198  | 114,506   | 0                         | 477,911              |
| Netherlands   | 305,677,784                            | 95,109,747                 | 8,531,334                      | 16,876,109   | 69,702,304  | 0                         | 212,423,487          |

Footnotes at end of table.

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation of Controlled Foreign Corporation | Controlled Foreign Corporations        |                            |                                |  |   |                           |                    |
|---|--|----------------------------|--------------------------------|--|---|---------------------------|--------------------|
|   | Receipts by foreign corporations from: |                            |                                |  |   |                           |                    |
|   | All sources                            | All related parties, total | U.S. corporation filing return | Domestic corporations controlled by U.S. corporation filing return | Any foreign corporations controlled by U.S. corporation filing return | All other related parties | Unrelated parties  |
|   | (17)                                   | (18)                       | (19)                           | (20)   | (21)  | (22)                      | (23)               |
| <b>Europe, total—continued</b>                                      |  |                            |                                |  |   |                           |                    |
| Poland  | 25,370,692                             | 5,739,203                  | 215,390                        | 363,307  | 5,160,506   | 0                         | 19,730,531         |
| Portugal (including Azores)   | 15,072,920                             | 2,941,152                  | 166,853                        | 198,616  | 2,575,683   | 0                         | 12,154,552         |
| Romania   | 4,117,303                              | 1,473,061                  | 105,769                        | 67,106   | 1,300,186   | 0                         | 2,682,197          |
| Slovakia  | 2,980,161                              | 1,060,315                  | * 1,059                        | 87,570   | 971,686   | 0                         | 1,921,222          |
| Slovenia  | 1,175,832                              | 457,543                    | * 12,733                       | * 12,288   | 432,522   | 0                         | 721,312            |
| Spain (including Canary Isles)                                      | 147,329,312                            | 28,328,197                 | 2,383,213                      | 2,057,820  | 23,887,164  | 0                         | 119,877,484        |
| Sweden  | 49,553,736                             | 22,811,815                 | 5,520,197                      | 803,286  | 16,488,141  | * 191                     | 26,864,503         |
| United Kingdom and Northern Ireland (including Gibraltar)           | 644,481,488                            | 171,944,377                | 17,115,250                     | 41,323,323   | 113,498,527   | * 7,276                   | 475,844,703        |
| Other European countries, total                                     | 291,201,453                            | 156,738,600                | 23,439,848                     | 13,740,368   | 119,558,330   | * 54                      | 153,449,916        |
| Croatia   | 434,733                                | 37,370                     | * 185                          | * 7,184  | 30,001  | 0                         | 397,815            |
| Guernsey  | 782,058                                | 40,494                     | 0                              | * 1,816  | 38,678  | 0                         | 741,687            |
| Jersey  | 4,073,416                              | 503,828                    | * 5,980                        | 237,066  | 260,782   | 0                         | 3,587,588          |
| Norway  | 16,693,323                             | 6,865,490                  | 158,227                        | 139,848  | 6,567,415   | 0                         | 9,835,711          |
| Russia  | 14,970,113                             | 4,460,381                  | 240,481                        | 195,411  | 4,024,489   | 0                         | 10,552,709         |
| Switzerland   | 247,790,701                            | 143,332,244                | 22,981,669                     | 13,082,787   | 107,267,734   | * 54                      | 123,371,639        |
| Ukraine   | 3,593,532                              | 1,145,661                  | * 22,294                       | * 15,032   | 1,108,335   | 0                         | 2,449,958          |
| Other European countries  | 2,863,577                              | 353,133                    | 31,013                         | * 61,224   | 260,895   | 0                         | 2,512,810          |
| <b>Africa, total</b>  | <b>40,522,758</b>                      | <b>8,675,266</b>           | <b>1,993,517</b>               | <b>2,873,966</b>   | <b>3,807,727</b>  | <b>* 57</b>               | <b>31,976,870</b>  |
| North Africa, total   | 4,452,263                              | 961,819                    | 26,931                         | 83,689   | 851,171   | * 18                      | 3,493,961          |
| Egypt   | 2,633,117                              | 507,192                    | * 17,239                       | 53,986   | 435,949   | * 18                      | 2,127,875          |
| Morocco   | 1,162,001                              | 318,156                    | * 9,681                        | * 19,226   | 289,249   | 0                         | 843,845            |
| Other North African countries                                       | 657,145                                | 136,471                    | * 10                           | * 10,477   | 125,983   | 0                         | 522,241            |
| East Africa, total  | 4,578,539                              | 1,081,756                  | 108,409                        | 316,525  | 656,783   | * 39                      | 3,579,351          |
| Mauritius   | 3,168,592                              | 809,504                    | 106,603                        | 251,944  | 450,917   | * 39                      | 2,440,926          |
| Other East African countries  | 1,409,947                              | 272,252                    | * 1,806                        | * 64,580   | 205,866   | 0                         | 1,138,425          |
| West and Central Africa, total                                      | 8,940,188                              | 3,378,900                  | 1,190,683                      | 1,963,728  | 224,489   | 0                         | 5,565,739          |
| Liberia   | 2,176,432                              | 770,052                    | * 565,457                      | * 126,073  | * 78,522  | 0                         | 1,407,271          |
| Nigeria   | 4,769,924                              | 2,541,339                  | * 623,210                      | * 1,820,649  | 97,480  | 0                         | 2,231,812          |
| Other West and Central African countries                            | 1,993,832                              | 67,510                     | * 2,016                        | * 17,006   | 48,487  | 0                         | 1,926,657          |
| Southern Africa, total  | 22,551,769                             | 3,252,791                  | 667,494                        | 510,024  | 2,075,273   | 0                         | 19,337,820         |
| South Africa  | 21,145,251                             | 2,880,505                  | 667,476                        | 508,946  | 1,704,082   | 0                         | 18,300,976         |
| Other Southern African countries                                    | 1,406,518                              | 372,286                    | * 17                           | * 1,078  | 371,191   | 0                         | 1,036,844          |
| <b>Asia, total</b>  | <b>759,034,695</b>                     | <b>195,957,182</b>         | <b>41,976,237</b>              | <b>38,595,685</b>  | <b>115,367,667</b>  | <b>* 17,593</b>           | <b>565,976,700</b> |
| Central, Northern, and Southwestern Asia, total                     | 24,070,125                             | 8,211,812                  | 39,281                         | 85,600   | 8,086,931   | 0                         | 15,860,099         |
| Turkey  | 22,366,774                             | 8,164,443                  | 32,052                         | 81,708   | 8,050,683   | 0                         | 14,202,762         |
| Other Central, Northern, and Southwestern Asian countries           | 1,703,351                              | 47,369                     | * 7,229                        | * 3,891  | 36,248  | 0                         | 1,657,337          |
| Middle East, total  | 19,206,879                             | 6,505,041                  | 2,579,207                      | 1,132,861  | 2,792,973   | 0                         | 12,838,373         |
| Israel  | 14,590,869                             | 5,765,629                  | 2,557,084                      | 1,046,593  | 2,161,951   | 0                         | 8,945,597          |
| United Arab Emirates  | 2,236,985                              | 353,898                    | 16,986                         | * 50,790   | 286,121   | 0                         | 1,883,875          |
| Other Middle East countries   | 2,379,024                              | 385,514                    | * 5,136                        | 35,477   | 344,900   | 0                         | 2,008,901          |
| Southern and Southeastern Asia, total                               | 236,979,781                            | 73,331,248                 | 17,779,610                     | 21,978,222   | 33,561,414  | * 12,003                  | 164,383,000        |
| India   | 26,889,445                             | 8,286,927                  | 2,827,767                      | 2,689,737  | 2,757,420   | * 12,003                  | 18,730,721         |
| Indonesia   | 14,690,082                             | 5,840,072                  | 68,650                         | 2,413,720  | 3,357,702   | 0                         | 8,852,067          |
| Malaysia  | 24,238,850                             | 11,445,202                 | 3,820,725                      | 3,793,174  | 3,831,303   | 0                         | 12,960,377         |
| Pakistan  | 841,374                                | 17,335                     | * 498                          | * 1,630  | 15,207  | 0                         | 827,130            |
| Philippines   | 13,970,420                             | 6,587,450                  | 4,611,258                      | 364,142  | 1,612,050   | 0                         | 7,537,859          |
| Singapore   | 122,636,010                            | 32,745,049                 | 5,779,068                      | 9,124,980  | 17,841,001  | 0                         | 90,158,130         |
| Thailand  | 32,292,708                             | 8,287,713                  | 644,118                        | 3,579,797  | 4,063,798   | 0                         | 24,017,289         |
| Vietnam   | 646,735                                | 45,065                     | * 10,276                       | * 8,112  | 26,676  | 0                         | 601,670            |
| Other Southern and Southeastern Asian countries                     | 774,158                                | 76,436                     | * 17,250                       | * 2,930  | 56,256  | 0                         | 697,757            |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation<br>of Controlled Foreign Corporation | Controlled Foreign Corporations        |                               |                                      |   |  |                                 |                      |
|--|--|-------------------------------|--------------------------------------|---|--|---------------------------------|----------------------|
|  | Receipts by foreign corporations from: |                               |                                      |   |  |                                 |                      |
|  | All sources                            | All related<br>parties, total | U.S.<br>corporation<br>filing return | Domestic<br>corporations<br>controlled by<br>U.S.<br>corporation<br>filing return | Any foreign<br>corporations<br>controlled by<br>U.S.<br>corporation<br>filing return | All other<br>related<br>parties | Unrelated<br>parties |
| (17)   | (18)                                   | (19)                          | (20)                                 | (21)  | (22)   | (23)                            |                      |
| <b>Asia, total—continued</b>   |  |                               |                                      |   |  |                                 |                      |
| Eastern Asia, total  | 478,777,911                            | 107,909,081                   | 21,578,139                           | 15,399,003  | 70,926,349   | * 5,590                         | 372,895,228          |
| China  | 82,098,329                             | 31,528,093                    | 11,243,427                           | 2,429,111   | 17,852,984   | * 2,571                         | 50,849,204           |
| Hong Kong  | 66,151,498                             | 17,634,514                    | 2,763,412                            | 5,643,743   | 9,227,359  | 0                               | 48,669,258           |
| Japan (including Okinawa and Ryukyu Islands)                           | 211,533,432                            | 44,676,247                    | 2,794,350                            | 3,994,882   | 37,886,954   | * 60                            | 168,306,647          |
| South Korea  | 79,929,828                             | 7,115,490                     | 1,826,711                            | 1,332,489   | 3,953,348  | * 2,941                         | 72,906,133           |
| Taiwan   | 37,246,615                             | 5,769,124                     | 2,804,312                            | 1,260,677   | 1,704,117  | * 18                            | 31,530,021           |
| Other Eastern Asian countries  | 1,818,209                              | 1,185,613                     | * 145,926                            | * 738,101   | 301,586  | 0                               | 633,964              |
| <b>Oceania, total</b>  | <b>135,424,439</b>                     | <b>19,589,834</b>             | <b>1,085,558</b>                     | <b>3,719,496</b>  | <b>14,784,780</b>  | <b>0</b>                        | <b>116,790,457</b>   |
| Australia  | 124,535,785                            | 18,195,494                    | 967,983                              | 3,569,920   | 13,657,591   | 0                               | 107,233,228          |
| New Zealand  | 10,067,473                             | 1,165,234                     | 106,870                              | 81,590  | 976,774  | 0                               | 8,962,355            |
| Other countries of Oceania   | 821,181                                | 229,106                       | * 10,705                             | * 67,986  | 150,415  | 0                               | 594,875              |
| <b>Puerto Rico and U.S. Possessions, total</b>                         | <b>29,022,461</b>                      | <b>10,840,246</b>             | <b>9,034,961</b>                     | <b>437,494</b>  | <b>1,367,792</b>   | <b>0</b>                        | <b>18,214,127</b>    |
| Puerto Rico  | 26,729,345                             | 10,758,635                    | 8,984,389                            | 426,672   | 1,347,573  | 0                               | 16,002,572           |
| U.S. Possessions, total  | 2,293,116                              | 81,611                        | * 50,572                             | * 10,821  | 20,218   | 0                               | 2,211,555            |
| Virgin Islands, U.S.   | 1,342,697                              | 25,167                        | * 5,506                              | * 3,639   | * 16,022   | 0                               | 1,317,530            |
| Other U.S. Possessions   | 950,418                                | 56,444                        | * 45,066                             | * 7,182   | * 4,196  | 0                               | 894,024              |
| <b>OPEC countries, total (countries included above)</b>                | <b>39,184,444</b>                      | <b>11,479,690</b>             | <b>2,433,369</b>                     | <b>4,366,908</b>  | <b>4,679,413</b>   | <b>0</b>                        | <b>27,719,576</b>    |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation of Controlled Foreign Corporation | Controlled Foreign Corporations      |                            |                                |  |   |                           |                      |
|---|--------------------------------------|----------------------------|--------------------------------|--|---|---------------------------|----------------------|
|   | Payments by foreign corporations to: |                            |                                |  |   |                           |                      |
|   | All recipients                       | All related parties, total | U.S. corporation filing return | Domestic corporations controlled by U.S. corporation filing return | Any foreign corporations controlled by U.S. corporation filing return | All other related parties | Unrelated parties    |
|   | (24)                                 | (25)                       | (26)                           | (27)   | (28)  | (29)                      | (30)                 |
| <b>All geographic regions</b>                                       | <b>4,496,115,251</b>                 | <b>1,283,591,906</b>       | <b>231,165,265</b>             | <b>316,154,978</b>   | <b>736,024,626</b>  | <b>247,038</b>            | <b>3,228,510,720</b> |
| <b>Latin America, total</b>   | <b>363,953,511</b>                   | <b>84,508,133</b>          | <b>16,603,577</b>              | <b>26,749,523</b>  | <b>41,117,667</b>   | <b>37,366</b>             | <b>280,270,444</b>   |
| Mexico  | 189,100,327                          | 46,495,132                 | 9,723,524                      | 15,161,269   | 21,578,469  | * 31,871                  | 143,176,109          |
| Central America and Caribbean countries, total                      | 23,570,898                           | 9,182,205                  | 1,016,823                      | 4,323,608  | 3,841,774   | 0                         | 14,437,379           |
| Costa Rica  | 4,842,139                            | 1,050,491                  | 186,900                        | 236,385  | 627,206   | 0                         | 3,804,265            |
| Dominican Republic  | 3,432,688                            | 2,442,493                  | 102,416                        | 2,236,448  | 103,628   | 0                         | 993,815              |
| El Salvador   | 2,950,538                            | 1,326,796                  | 100,242                        | 532,476  | 694,078   | 0                         | 1,634,763            |
| Guatemala   | 3,905,905                            | 1,158,293                  | 216,606                        | 447,249  | 494,439   | 0                         | 2,753,336            |
| Honduras  | 2,166,649                            | 905,932                    | 175,311                        | 469,999  | 260,622   | 0                         | 1,268,145            |
| Panama (including Canal Zone)                                       | 5,588,534                            | 2,093,142                  | 213,377                        | 311,483  | 1,568,281   | 0                         | 3,503,667            |
| Other Central American and Caribbean countries                      | 684,445                              | 205,057                    | 21,970                         | 89,567   | 93,519  | 0                         | 479,388              |
| South America, total  | 151,282,286                          | 28,830,796                 | 5,863,230                      | 7,264,647  | 15,697,424  | * 5,495                   | 122,656,956          |
| Argentina   | 22,463,125                           | 3,374,495                  | 546,217                        | 948,827  | 1,879,156   | * 295                     | 19,123,507           |
| Bolivia   | 530,527                              | 57,213                     | 5,211                          | 21,764   | 29,763  | * 475                     | 473,446              |
| Brazil  | 81,256,915                           | 12,826,197                 | 3,155,260                      | 2,999,228  | 6,667,039   | * 4,671                   | 68,460,882           |
| Chile   | 14,967,715                           | 4,418,996                  | 713,215                        | 1,668,360  | 2,037,421   | 0                         | 10,571,372           |
| Colombia  | 9,344,934                            | 2,026,032                  | 283,285                        | 392,022  | 1,350,694   | * 31                      | 7,326,263            |
| Ecuador   | 2,614,200                            | 654,548                    | 124,241                        | 95,831   | 434,475   | 0                         | 1,961,235            |
| Peru  | 3,111,867                            | 679,905                    | 228,244                        | 137,618  | 314,042   | 0                         | 2,439,736            |
| Uruguay   | 2,053,272                            | 536,636                    | 80,671                         | 173,758  | 282,207   | 0                         | 1,519,747            |
| Venezuela   | 13,812,760                           | 4,031,017                  | 704,644                        | 822,188  | 2,504,186   | 0                         | 9,879,553            |
| Other South American countries                                      | 1,126,972                            | 225,757                    | 22,242                         | 5,051  | 198,441   | * 24                      | 901,214              |
| <b>Other Western Hemisphere, total</b>                              | <b>926,623,857</b>                   | <b>216,339,839</b>         | <b>60,214,131</b>              | <b>75,756,011</b>  | <b>80,332,105</b>   | <b>37,592</b>             | <b>716,397,026</b>   |
| Bahamas   | 20,993,826                           | 10,640,565                 | 751,607                        | 6,788,529  | 3,100,429   | 0                         | 10,585,377           |
| Barbados  | 4,059,829                            | 999,626                    | 245,129                        | 518,847  | 235,650   | 0                         | 3,069,545            |
| Bermuda   | 201,471,125                          | 55,223,585                 | 14,849,634                     | 16,400,803   | 23,973,095  | * 52                      | 149,639,140          |
| British Virgin Islands  | 20,628,419                           | 8,133,505                  | 893,777                        | 2,833,543  | 4,406,185   | 0                         | 12,578,498           |
| Canada  | 551,086,880                          | 110,646,739                | 35,843,007                     | 40,524,580   | 34,244,182  | * 34,970                  | 440,893,197          |
| Cayman Islands  | 123,902,686                          | 28,929,592                 | 7,363,991                      | 7,696,701  | 13,866,407  | * 2,494                   | 96,431,236           |
| Jamaica   | 1,244,730                            | 140,614                    | * 32,550                       | 66,311   | 41,753  | 0                         | 1,119,047            |
| Netherlands Antilles  | 1,985,554                            | 1,271,570                  | 92,177                         | 780,454  | 398,938   | 0                         | 1,178,073            |
| Trinidad and Tobago   | 528,848                              | 108,315                    | 45,231                         | 39,189   | 23,895  | 0                         | 424,007              |
| Other Western Hemisphere countries                                  | 721,960                              | 245,729                    | 97,028                         | 107,054  | 41,571  | * 76                      | 478,907              |
| <b>Europe, total</b>  | <b>2,297,199,321</b>                 | <b>713,712,801</b>         | <b>93,370,168</b>              | <b>141,420,913</b>   | <b>478,911,321</b>  | <b>10,399</b>             | <b>1,590,257,946</b> |
| European Union, total   | 2,035,902,979                        | 595,494,047                | 68,440,231                     | 129,908,729  | 397,134,980   | 10,107                    | 1,446,853,605        |
| Austria   | 21,008,287                           | 5,910,514                  | 306,086                        | 2,742,169  | 2,862,259   | 0                         | 15,180,622           |
| Belgium   | 52,206,651                           | 18,671,099                 | 2,027,890                      | 2,513,576  | 14,129,633  | 0                         | 33,797,620           |
| Bulgaria  | 673,479                              | 179,705                    | 21,127                         | 21,222   | 137,357   | 0                         | 493,774              |
| Cyprus  | 1,682,199                            | 476,149                    | 88,208                         | 191,081  | 196,860   | 0                         | 1,210,368            |
| Czech Republic  | 12,277,317                           | 2,509,111                  | 135,905                        | 495,242  | 1,877,965   | 0                         | 9,787,829            |
| Denmark   | 16,031,036                           | 4,204,156                  | 284,465                        | 919,977  | 2,999,714   | 0                         | 11,830,350           |
| Estonia   | 441,842                              | 94,301                     | * 25,732                       | 1,517  | 67,051  | 0                         | 347,542              |
| Finland   | 7,686,640                            | 2,058,495                  | 101,973                        | 204,667  | 1,751,854   | 0                         | 5,631,907            |
| France (including Corsica, Guadeloupe, Martinique, and Reunion)     | 136,444,550                          | 40,645,418                 | 3,765,558                      | 6,927,762  | 29,952,099  | 0                         | 96,200,276           |
| Germany   | 224,075,127                          | 50,355,296                 | 6,648,477                      | 7,755,933  | 35,950,885  | 0                         | 173,927,362          |
| Greece  | 7,114,479                            | 1,842,807                  | 71,291                         | 236,179  | 1,535,336   | 0                         | 5,275,046            |
| Hungary   | 11,767,129                           | 3,241,155                  | 151,227                        | 773,122  | 2,316,807   | 0                         | 8,548,409            |
| Ireland   | 141,555,265                          | 63,194,087                 | 12,659,086                     | 8,558,900  | 41,975,658  | * 443                     | 78,811,320           |
| Italy   | 70,669,944                           | 18,053,659                 | 1,097,181                      | 2,501,665  | 14,454,059  | * 755                     | 52,730,463           |
| Latvia  | 577,886                              | 56,551                     | * 3,862                        | 11,335   | 41,355  | 0                         | 521,927              |
| Lithuania   | 680,150                              | 115,878                    | * 503                          | * 6,298  | 109,077   | 0                         | 564,272              |
| Luxembourg  | 196,599,586                          | 54,490,482                 | 3,533,930                      | 21,489,648   | 29,466,904  | 0                         | 142,344,585          |
| Malta   | 537,122                              | 85,296                     | * 1,761                        | * 3,727  | 79,808  | 0                         | 451,826              |
| Netherlands   | 286,185,228                          | 100,137,164                | 18,387,334                     | 18,543,384   | 63,204,754  | * 1,692                   | 189,091,227          |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation of Controlled Foreign Corporation | Controlled Foreign Corporations      |                            |                                |  |   |                           |                    |
|---|--------------------------------------|----------------------------|--------------------------------|--|---|---------------------------|--------------------|
|   | Payments by foreign corporations to: |                            |                                |  |   |                           |                    |
|   | All recipients                       | All related parties, total | U.S. corporation filing return | Domestic corporations controlled by U.S. corporation filing return | Any foreign corporations controlled by U.S. corporation filing return | All other related parties | Unrelated parties  |
|   | (24)                                 | (25)                       | (26)                           | (27)   | (28)  | (29)                      | (30)               |
| <b>Europe, total—continued</b>                                      |                                      |                            |                                |  |   |                           |                    |
| Poland  | 24,058,356                           | 5,896,494                  | 372,690                        | 685,222  | 4,838,189   | * 393                     | 18,227,149         |
| Portugal (including Azores)   | 13,080,875                           | 3,871,098                  | 116,208                        | 1,216,468  | 2,538,179   | * 243                     | 9,227,742          |
| Romania   | 3,998,595                            | 1,403,088                  | 47,255                         | 89,116   | 1,266,717   | 0                         | 2,732,924          |
| Slovakia  | 2,854,202                            | 504,091                    | 60,520                         | 27,903   | 415,668   | 0                         | 2,350,880          |
| Slovenia  | 1,124,860                            | 388,166                    | 69,517                         | 27,116   | 291,533   | 0                         | 737,283            |
| Spain (including Canary Isles)                                      | 139,515,418                          | 27,375,854                 | 1,368,023                      | 6,669,858  | 19,336,724  | * 1,249                   | 112,381,354        |
| Sweden  | 47,442,448                           | 19,543,625                 | 1,426,759                      | 1,181,260  | 16,934,043  | * 1,562                   | 27,944,042         |
| United Kingdom and Northern Ireland (including Gibraltar)           | 615,614,308                          | 170,190,308                | 15,667,663                     | 46,114,382   | 108,404,492   | * 3,772                   | 446,505,503        |
| Other European countries, total                                     | 261,296,341                          | 118,218,754                | 24,929,937                     | 11,512,184   | 81,776,341  | * 292                     | 143,404,341        |
| Croatia   | 970,891                              | 91,921                     | * 15,010                       | 5,107  | 71,804  | 0                         | 878,970            |
| Guernsey  | 599,873                              | 146,216                    | * 5,558                        | * 3,451  | 137,206   | 0                         | 453,661            |
| Jersey  | 2,224,171                            | 512,472                    | 84,719                         | 179,200  | 248,553   | 0                         | 1,713,224          |
| Norway  | 12,771,806                           | 4,348,598                  | 2,018,695                      | 244,141  | 2,085,762   | 0                         | 8,434,547          |
| Russia  | 14,218,875                           | 4,231,269                  | 213,084                        | 375,845  | 3,642,340   | 0                         | 10,009,955         |
| Switzerland   | 225,034,797                          | 107,072,015                | 22,479,125                     | 10,549,581   | 74,043,017  | * 292                     | 118,191,184        |
| Ukraine   | 3,339,867                            | 1,388,735                  | * 34,882                       | 105,315  | 1,248,538   | 0                         | 1,960,703          |
| Other European countries  | 2,136,061                            | 427,527                    | 78,862                         | 49,545   | 299,120   | 0                         | 1,762,097          |
| <b>Africa, total</b>  | <b>37,574,539</b>                    | <b>9,580,077</b>           | <b>1,661,965</b>               | <b>3,411,565</b>   | <b>4,498,731</b>  | <b>* 7,816</b>            | <b>28,133,593</b>  |
| North Africa, total   | 4,330,692                            | 770,512                    | 38,212                         | 52,589   | 677,561   | * 2,150                   | 3,560,204          |
| Egypt   | 2,551,602                            | 455,625                    | 12,819                         | 27,154   | 413,502   | * 2,150                   | 2,096,001          |
| Morocco   | 1,158,520                            | 205,152                    | * 23,335                       | * 4,334  | 177,483   | 0                         | 953,369            |
| Other North African countries                                       | 620,569                              | 109,734                    | * 2,058                        | * 21,100   | 86,576  | 0                         | 510,835            |
| East Africa, total  | 5,459,571                            | 1,657,634                  | 669,979                        | 608,080  | 375,670   | * 3,905                   | 3,810,874          |
| Mauritius   | 4,076,999                            | 1,409,234                  | 666,808                        | 425,510  | 313,220   | * 3,697                   | 2,676,681          |
| Other East African countries  | 1,382,571                            | 248,400                    | 3,171                          | 182,571  | 62,450  | * 208                     | 1,134,193          |
| West and Central Africa, total                                      | 6,502,963                            | 1,296,444                  | 128,406                        | 544,490  | 623,548   | 0                         | 5,232,225          |
| Liberia   | 1,740,591                            | 384,744                    | * 32,250                       | * 81,768   | 270,726   | 0                         | 1,356,769          |
| Nigeria   | 2,807,204                            | 668,316                    | 85,175                         | 331,310  | 251,831   | 0                         | 2,144,700          |
| Other West and Central African countries                            | 1,955,168                            | 243,384                    | 10,980                         | 131,412  | 100,991   | 0                         | 1,730,756          |
| Southern Africa, total  | 21,281,314                           | 5,855,488                  | 825,368                        | 2,206,406  | 2,821,953   | * 1,761                   | 15,530,290         |
| South Africa  | 19,957,088                           | 5,569,580                  | 819,673                        | 2,194,749  | 2,553,397   | * 1,761                   | 14,491,949         |
| Other Southern African countries                                    | 1,324,226                            | 285,908                    | * 5,695                        | 11,657   | 268,556   | 0                         | 1,038,341          |
| <b>Asia, total</b>  | <b>716,414,754</b>                   | <b>218,799,843</b>         | <b>51,291,489</b>              | <b>54,535,721</b>  | <b>112,819,135</b>  | <b>153,498</b>            | <b>499,488,484</b> |
| Central, Northern, and Southwestern Asia, total                     | 22,457,960                           | 5,460,314                  | 505,420                        | 199,689  | 4,755,205   | 0                         | 17,004,395         |
| Turkey  | 21,326,719                           | 5,327,965                  | 453,081                        | 161,638  | 4,713,246   | 0                         | 16,005,376         |
| Other Central, Northern, and Southwestern Asian countries           | 1,131,241                            | 132,349                    | * 52,339                       | 38,051   | 41,959  | 0                         | 999,020            |
| Middle East, total  | 17,746,939                           | 3,403,294                  | 376,257                        | 516,952  | 2,509,828   | * 258                     | 14,377,733         |
| Israel  | 13,402,168                           | 1,631,418                  | 242,933                        | 215,749  | 1,172,478   | * 258                     | 11,774,228         |
| United Arab Emirates  | 2,108,841                            | 995,113                    | 113,629                        | 142,258  | 739,225   | 0                         | 1,122,083          |
| Other Middle East countries   | 2,235,929                            | 776,763                    | 19,694                         | 158,944  | 598,124   | 0                         | 1,481,422          |
| Southern and Southeastern Asia, total                               | 223,597,025                          | 63,250,882                 | 20,286,559                     | 15,863,644   | 26,968,897  | 131,782                   | 161,129,480        |
| India   | 24,534,354                           | 3,645,079                  | 715,622                        | 1,032,822  | 1,896,633   | * 2                       | 20,962,523         |
| Indonesia   | 13,095,315                           | 3,920,124                  | 236,153                        | 276,411  | 3,407,560   | 0                         | 9,191,653          |
| Malaysia  | 22,414,206                           | 8,439,114                  | 1,466,592                      | 2,932,973  | 4,037,445   | * 2,104                   | 13,999,363         |
| Pakistan  | 752,738                              | 191,747                    | 15,234                         | 14,639   | 144,605   | * 17,269                  | 561,329            |
| Philippines   | 14,028,100                           | 6,647,030                  | 3,142,840                      | 1,296,843  | 2,207,348   | 0                         | 7,395,555          |
| Singapore   | 116,615,855                          | 35,971,040                 | 14,024,202                     | 8,929,838  | 12,905,777  | * 111,223                 | 81,189,689         |
| Thailand  | 30,816,022                           | 3,956,259                  | 528,350                        | 1,265,290  | 2,161,436   | * 1,183                   | 26,940,247         |
| Vietnam   | 645,611                              | 224,083                    | 24,305                         | 67,734   | 132,044   | 0                         | 449,132            |
| Other Southern and Southeastern Asian countries                     | 694,824                              | 256,404                    | 133,260                        | 47,095   | 76,049  | 0                         | 439,990            |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation<br>of Controlled Foreign Corporation | Controlled Foreign Corporations      |                               |                                      |   |  |                                 |                      |
|--|--------------------------------------|-------------------------------|--------------------------------------|---|--|---------------------------------|----------------------|
|  | Payments by foreign corporations to: |                               |                                      |   |  |                                 |                      |
|  | All recipients                       | All related<br>parties, total | U.S.<br>corporation<br>filing return | Domestic<br>corporations<br>controlled by<br>U.S.<br>corporation<br>filing return | Any foreign<br>corporations<br>controlled by<br>U.S.<br>corporation<br>filing return | All other<br>related<br>parties | Unrelated<br>parties |
|  | (24)                                 | (25)                          | (26)                                 | (27)  | (28)   | (29)                            | (30)                 |
| <b>Asia, total—continued</b>   |                                      |                               |                                      |   |  |                                 |                      |
| Eastern Asia, total  | 452,612,830                          | 146,685,353                   | 30,123,253                           | 37,955,436  | 78,585,206   | 21,458                          | 306,976,876          |
| China  | 77,656,990                           | 19,712,455                    | 4,906,696                            | 2,563,693   | 12,238,653   | * 3,412                         | 58,316,507           |
| Hong Kong  | 62,100,518                           | 23,810,782                    | 3,451,855                            | 5,585,579   | 14,773,001   | * 347                           | 38,500,705           |
| Japan (including Okinawa and Ryukyu Islands)                           | 201,645,408                          | 74,217,887                    | 14,046,747                           | 23,106,513  | 37,053,823   | * 10,804                        | 127,854,438          |
| South Korea  | 73,960,914                           | 19,710,355                    | 3,547,875                            | 5,741,047   | 10,416,508   | * 4,925                         | 54,271,304           |
| Taiwan   | 35,499,306                           | 9,012,994                     | 4,096,897                            | 900,494   | 4,013,632  | * 1,971                         | 26,504,208           |
| Other Eastern Asian countries  | 1,749,694                            | 220,881                       | 73,182                               | * 58,110  | 89,589   | 0                               | 1,529,715            |
| <b>Oceania, total</b>  | <b>127,021,585</b>                   | <b>29,491,309</b>             | <b>4,793,732</b>                     | <b>6,950,444</b>  | <b>17,746,767</b>  | <b>* 366</b>                    | <b>97,752,576</b>    |
| Australia  | 116,635,496                          | 27,302,377                    | 4,369,744                            | 6,359,637   | 16,572,630   | * 366                           | 89,507,345           |
| New Zealand  | 9,541,364                            | 1,876,971                     | 238,714                              | 585,179   | 1,053,078  | 0                               | 7,712,233            |
| Other countries of Oceania   | 844,725                              | 311,961                       | 185,275                              | 5,628   | 121,058  | 0                               | 532,998              |
| <b>Puerto Rico and U.S. Possessions, total</b>                         | <b>27,327,685</b>                    | <b>11,159,904</b>             | <b>3,230,204</b>                     | <b>7,330,800</b>  | <b>598,901</b>   | <b>0</b>                        | <b>16,210,651</b>    |
| Puerto Rico  | 25,098,128                           | 10,625,252                    | 2,791,059                            | 7,303,860   | 530,333  | 0                               | 14,515,381           |
| U.S. Possessions, total  | 2,229,556                            | 534,653                       | 439,145                              | 26,940  | 68,568   | 0                               | 1,695,270            |
| Virgin Islands, U.S.   | 1,251,354                            | 393,366                       | 328,341                              | 15,244  | 49,780   | 0                               | 858,354              |
| Other U.S. Possessions   | 978,202                              | 141,287                       | * 110,804                            | 11,696  | 18,787   | 0                               | 836,916              |
| <b>OPEC countries, total (countries included above)</b>                | <b>33,546,683</b>                    | <b>10,345,754</b>             | <b>1,144,744</b>                     | <b>1,723,976</b>  | <b>7,477,034</b>   | <b>0</b>                        | <b>23,329,366</b>    |

\* Data should be used with caution because of the small number of returns on which they are based.

[1] Number of returns is not additive because some U.S. corporations had Controlled Foreign Corporations in more than one country.

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

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                      |                       |                      |   |                   |
|---|--|---------------------------------|----------------------|-----------------------|----------------------|---|-------------------|
|   |  | Number of foreign corporations  | Total assets         |                       | Total receipts       | Current earnings and profits (less deficit) before income taxes | Income taxes      |
|   |  |                                 | Beginning of year    | End of year           |                      |   |                   |
|   | (1)                                    | (2)                             | (3)                  | (4)                   | (5)                  | (6)   | (7)               |
| <b>ALL GEOGRAPHIC REGIONS [2]</b>   |  |                                 |                      |                       |                      |   |                   |
| <b>All industries</b>   | <b>11,873</b>                          | <b>78,249</b>                   | <b>9,809,404,944</b> | <b>11,666,004,281</b> | <b>4,819,870,637</b> | <b>509,527,961</b>  | <b>98,616,121</b> |
| Raw materials and energy production   | 458                                    | 2,502                           | 339,159,158          | 406,666,989           | 231,754,208          | 64,077,207  | 21,376,094        |
| Goods production  | 4,137                                  | 19,917                          | 1,559,297,877        | 1,707,725,994         | 1,878,079,547        | 142,386,654   | 25,320,580        |
| Distribution and transportation of goods  | 3,221                                  | 16,191                          | 780,229,045          | 843,280,710           | 1,264,349,512        | 69,134,073  | 14,266,863        |
| Information   | 964                                    | 4,551                           | 233,910,650          | 229,525,818           | 109,640,278          | 9,209,518   | 2,424,566         |
| Finance, insurance, real estate, and rental and leasing                                   | 2,205                                  | 9,828                           | 4,473,698,313        | 5,681,910,503         | 513,377,523          | 94,022,146  | 15,998,194        |
| Services  | 5,107                                  | 25,039                          | 2,422,617,468        | 2,796,140,314         | 822,329,696          | 130,729,761   | 19,222,247        |
| <b>ARGENTINA [2]</b>  |  |                                 |                      |                       |                      |   |                   |
| <b>All industries</b>   | <b>589</b>                             | <b>912</b>                      | <b>20,142,340</b>    | <b>22,162,906</b>     | <b>23,946,244</b>    | <b>2,223,248</b>  | <b>607,794</b>    |
| Raw materials and energy production   | 35                                     | 69                              | 4,525,615            | 3,956,998             | 2,342,611            | 475,569   | 92,590            |
| Goods production  | 141                                    | 196                             | 5,498,787            | 6,031,860             | 8,349,731            | 721,166   | 247,183           |
| Distribution and transportation of goods  | 147                                    | 161                             | 4,081,056            | 4,513,378             | 9,377,668            | 305,882   | 132,463           |
| Information   | d                                      | d                               | d                    | d                     | d                    | d   | d                 |
| Finance, insurance, real estate, and rental and leasing                                   | 145                                    | 208                             | 3,536,988            | 4,484,102             | 1,678,742            | 365,251   | 65,417            |
| Services  | 148                                    | 222                             | 1,825,977            | 2,522,058             | 1,477,675            | 306,675   | 48,599            |
| <b>AUSTRALIA [2]</b>  |  |                                 |                      |                       |                      |   |                   |
| <b>All industries</b>   | <b>1,289</b>                           | <b>2,651</b>                    | <b>318,623,254</b>   | <b>358,270,203</b>    | <b>124,535,785</b>   | <b>14,528,446</b>   | <b>2,975,906</b>  |
| Raw materials and energy production   | 45                                     | 127                             | 13,443,489           | 18,870,686            | 6,307,886            | 1,757,838   | 449,821           |
| Goods production  | 352                                    | 538                             | 31,861,258           | 35,609,403            | 41,408,212           | 3,735,489   | 1,145,144         |
| Distribution and transportation of goods  | 380                                    | 495                             | 11,344,754           | 12,796,060            | 17,321,295           | 927,161   | 287,513           |
| Information   | 115                                    | 228                             | 15,542,166           | 17,422,281            | 4,542,459            | 82,196  | 71,450            |
| Finance, insurance, real estate, and rental and leasing                                   | 116                                    | 328                             | 134,246,503          | 158,973,451           | 16,693,105           | 4,235,967   | 500,393           |
| Services  | 519                                    | 930                             | 112,183,704          | 114,561,718           | 38,256,094           | 3,788,619   | 521,580           |
| <b>AUSTRIA</b>  |  |                                 |                      |                       |                      |   |                   |
| <b>All industries</b>   | <b>373</b>                             | <b>541</b>                      | <b>21,997,195</b>    | <b>25,466,744</b>     | <b>22,746,988</b>    | <b>2,876,760</b>  | <b>534,937</b>    |
| Raw materials and energy production   | 5                                      | 7                               | * 202,073            | * 215,076             | * 107,905            | * -3,898  | * 2,055           |
| Goods production  | 101                                    | 114                             | 7,784,064            | 8,815,646             | 9,374,070            | 646,427   | 140,645           |
| Distribution and transportation of goods  | 150                                    | 177                             | 2,332,252            | 2,751,972             | 4,459,716            | 269,428   | 55,657            |
| Information   | 24                                     | 38                              | 692,630              | 951,556               | 433,792              | 19,127  | 6,709             |
| Finance, insurance, real estate, and rental and leasing                                   | 24                                     | 35                              | 2,150,279            | 2,290,599             | 294,461              | 64,730  | 6,628             |
| Services  | 119                                    | 169                             | 8,835,897            | 10,441,895            | 8,077,044            | 1,880,946   | 323,243           |
| <b>BAHAMAS</b>  |  |                                 |                      |                       |                      |   |                   |
| <b>All industries</b>   | <b>94</b>                              | <b>385</b>                      | <b>64,823,713</b>    | <b>85,501,925</b>     | <b>26,664,397</b>    | <b>8,700,182</b>  | <b>2,246,231</b>  |
| Raw materials and energy production   | 15                                     | 213                             | 20,744,908           | 21,970,873            | 10,897,267           | 4,178,975   | 1,787,919         |
| Goods production  | d                                      | d                               | d                    | d                     | d                    | d   | d                 |
| Distribution and transportation of goods  | 21                                     | 39                              | 2,455,982            | 2,157,944             | 5,963,803            | 118,514   | * 25,449          |
| Information   | d                                      | d                               | d                    | d                     | d                    | d   | d                 |
| Finance, insurance, real estate, and rental and leasing                                   | 31                                     | 50                              | 14,450,719           | 22,090,025            | 2,212,706            | 1,085,337   | * 38,567          |
| Services  | 34                                     | 62                              | 23,386,485           | 31,070,347            | 2,826,839            | 2,456,290   | * 373,097         |
| <b>BELGIUM [2]</b>  |  |                                 |                      |                       |                      |   |                   |
| <b>All industries</b>   | <b>664</b>                             | <b>1,189</b>                    | <b>71,164,699</b>    | <b>76,790,311</b>     | <b>53,946,960</b>    | <b>2,721,469</b>  | <b>831,836</b>    |
| Raw materials and energy production   | d                                      | d                               | d                    | d                     | d                    | d   | d                 |
| Goods production  | 224                                    | 333                             | 29,531,690           | 31,288,481            | 28,859,836           | 888,442   | 402,971           |
| Distribution and transportation of goods  | 243                                    | 339                             | 9,058,899            | 10,157,039            | 13,421,941           | 432,265   | 168,065           |
| Information   | 37                                     | 55                              | 894,145              | 1,097,985             | 1,059,915            | 206,213   | 9,806             |
| Finance, insurance, real estate, and rental and leasing                                   | 54                                     | 84                              | 18,209,431           | 18,161,942            | 2,544,698            | 453,343   | 75,144            |
| Services  | 238                                    | 369                             | 13,392,783           | 16,001,706            | 7,889,805            | 722,794   | 174,300           |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                    |                    |                    |   |                   |
|---|--|---------------------------------|--------------------|--------------------|--------------------|---|-------------------|
|   |  | Number of foreign corporations  | Total assets       |                    | Total receipts     | Current earnings and profits (less deficit) before income taxes | Income taxes      |
|   |  |                                 | Beginning of year  | End of year        |                    |   |                   |
|   | (1)                                    | (2)                             | (3)                | (4)                | (5)                | (6)   | (7)               |
| <b>BERMUDA [2]</b>  |  |                                 |                    |                    |                    |   |                   |
| <b>All industries</b>   | <b>428</b>                             | <b>978</b>                      | <b>600,562,946</b> | <b>729,332,704</b> | <b>230,203,753</b> | <b>48,924,357</b>   | <b>6,181,646</b>  |
| Raw materials and energy production   | 14                                     | 181                             | 37,497,786         | 48,131,455         | 19,671,538         | 9,367,554   | 4,022,361         |
| Goods production  | 39                                     | 43                              | 71,816,051         | 76,620,263         | 68,349,135         | 11,507,447  | 361,974           |
| Distribution and transportation of goods  | 42                                     | 54                              | 19,028,522         | 23,878,256         | 49,565,521         | 3,123,925   | 243,842           |
| Information   | 8                                      | 8                               | * 1,519,441        | * 1,670,417        | * 1,410,966        | * 94,853  | * 11,174          |
| Finance, insurance, real estate, and rental and leasing                                   | 265                                    | 403                             | 114,908,420        | 120,954,140        | 21,007,205         | 4,563,547   | 266,688           |
| Services  | 162                                    | 286                             | 355,781,029        | 458,078,151        | 70,199,350         | 20,267,009  | 1,275,606         |
| <b>BRAZIL [2]</b>   |  |                                 |                    |                    |                    |   |                   |
| <b>All industries</b>   | <b>964</b>                             | <b>1,692</b>                    | <b>108,824,260</b> | <b>130,631,204</b> | <b>85,296,215</b>  | <b>10,777,914</b>   | <b>2,210,859</b>  |
| Raw materials and energy production   | 38                                     | 73                              | 12,732,817         | 11,415,000         | 7,891,772          | 2,983,233   | 502,910           |
| Goods production  | 344                                    | 510                             | 31,501,121         | 38,806,289         | 44,902,966         | 3,858,483   | 943,256           |
| Distribution and transportation of goods  | 254                                    | 335                             | 9,249,782          | 13,123,146         | 14,649,551         | 523,948   | 219,909           |
| Information   | 79                                     | 110                             | 1,592,043          | 2,243,056          | 1,716,153          | 36,323  | 29,727            |
| Finance, insurance, real estate, and rental and leasing                                   | 69                                     | 157                             | 39,265,460         | 48,497,113         | 10,109,434         | 2,354,673   | 337,638           |
| Services  | 332                                    | 497                             | 14,460,297         | 16,514,495         | 6,008,043          | 1,019,480   | 175,764           |
| <b>BRITISH VIRGIN ISLANDS [2]</b>   |  |                                 |                    |                    |                    |   |                   |
| <b>All industries</b>   | <b>254</b>                             | <b>424</b>                      | <b>60,972,023</b>  | <b>45,401,183</b>  | <b>27,095,416</b>  | <b>6,693,973</b>  | <b>1,179,058</b>  |
| Raw materials and energy production   | 17                                     | 33                              | 9,468,937          | 11,502,146         | 4,339,924          | 2,176,436   | 633,278           |
| Goods production  | 39                                     | 43                              | 8,167,142          | 10,824,663         | 14,481,136         | 2,116,293   | 7,825             |
| Distribution and transportation of goods  | 26                                     | 32                              | 626,372            | 936,175            | 1,229,206          | 32,655  | * 9,916           |
| Information   | d                                      | d                               | d                  | d                  | d                  | d   | d                 |
| Finance, insurance, real estate, and rental and leasing                                   | 48                                     | 65                              | 28,222,029         | 4,004,029          | 2,207,037          | 789,961   | * 430,805         |
| Services  | 139                                    | 237                             | 14,421,835         | 17,997,029         | 4,740,691          | 1,579,463   | 96,690            |
| <b>CANADA [2]</b>   |  |                                 |                    |                    |                    |   |                   |
| <b>All industries</b>   | <b>3,776</b>                           | <b>6,935</b>                    | <b>828,387,526</b> | <b>948,892,794</b> | <b>580,652,462</b> | <b>42,246,980</b>   | <b>11,097,554</b> |
| Raw materials and energy production   | 137                                    | 274                             | 114,048,481        | 139,682,573        | 86,855,656         | 11,188,464  | 2,702,097         |
| Goods production  | 1,168                                  | 1,653                           | 210,429,976        | 223,968,373        | 225,524,949        | 9,614,724   | 3,110,019         |
| Distribution and transportation of goods  | 1,310                                  | 1,842                           | 80,014,849         | 82,269,823         | 159,200,905        | 5,917,698   | 2,165,867         |
| Information   | 188                                    | 277                             | 6,995,652          | 9,341,926          | 6,776,964          | 632,237   | 269,852           |
| Finance, insurance, real estate, and rental and leasing                                   | 383                                    | 754                             | 290,085,247        | 345,985,818        | 39,105,680         | 7,681,639   | 1,759,583         |
| Services  | 1,307                                  | 2,124                           | 126,772,691        | 147,569,208        | 63,179,092         | 7,212,997   | 1,089,991         |
| <b>CAYMAN ISLANDS [2]</b>   |  |                                 |                    |                    |                    |   |                   |
| <b>All industries</b>   | <b>652</b>                             | <b>1,580</b>                    | <b>561,940,926</b> | <b>646,609,465</b> | <b>145,127,344</b> | <b>25,807,629</b>   | <b>4,859,278</b>  |
| Raw materials and energy production   | 38                                     | 190                             | 29,525,919         | 42,110,580         | 21,084,881         | 9,233,980   | 3,223,621         |
| Goods production  | 78                                     | 107                             | 31,150,196         | 34,772,448         | 42,795,451         | 3,674,171   | 220,329           |
| Distribution and transportation of goods  | 45                                     | 55                              | 13,871,296         | 24,063,073         | 18,771,522         | 789,757   | 112,296           |
| Information   | d                                      | d                               | d                  | d                  | d                  | d   | d                 |
| Finance, insurance, real estate, and rental and leasing                                   | 299                                    | 722                             | 221,598,537        | 425,905,457        | 26,269,926         | 6,618,701   | 641,429           |
| Services  | 264                                    | 494                             | 265,719,647        | 119,697,236        | 36,172,635         | 5,495,687   | 659,013           |
| <b>CHILE [2]</b>  |  |                                 |                    |                    |                    |   |                   |
| <b>All industries</b>   | <b>398</b>                             | <b>684</b>                      | <b>33,817,510</b>  | <b>35,605,584</b>  | <b>16,325,176</b>  | <b>3,396,013</b>  | <b>530,481</b>    |
| Raw materials and energy production   | 23                                     | 52                              | 8,507,305          | 8,112,394          | 5,342,216          | 2,340,914   | 414,291           |
| Goods production  | 101                                    | 116                             | 3,159,541          | 3,617,170          | 3,393,568          | 328,820   | 23,411            |
| Distribution and transportation of goods  | 165                                    | 193                             | 2,119,452          | 2,605,320          | 3,892,624          | 183,606   | 33,040            |
| Information   | 23                                     | 36                              | 2,902,091          | 2,125,328          | 811,826            | 33,113  | 7,893             |
| Finance, insurance, real estate, and rental and leasing                                   | 50                                     | 94                              | 9,819,761          | 12,309,646         | 1,283,270          | 183,446   | 27,568            |
| Services  | 100                                    | 190                             | 7,306,914          | 6,831,124          | 1,601,562          | 326,166   | 24,277            |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                    |                    |                    |   |                  |
|---|--|---------------------------------|--------------------|--------------------|--------------------|---|------------------|
|   |  | Number of foreign corporations  | Total assets       |                    | Total receipts     | Current earnings and profits (less deficit) before income taxes | Income taxes     |
|   |  |                                 | Beginning of year  | End of year        |                    |   |                  |
|   | (1)                                    | (2)                             | (3)                | (4)                | (5)                | (6)   | (7)              |
| <b>CHINA [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>1,739</b>                           | <b>3,426</b>                    | <b>48,821,791</b>  | <b>65,480,943</b>  | <b>82,098,329</b>  | <b>6,093,070</b>  | <b>760,268</b>   |
| Raw materials and energy production   | 17                                     | 43                              | 260,223            | 465,021            | 590,970            | 69,050  | 1,195            |
| Goods production  | 936                                    | 1,742                           | 32,819,574         | 41,347,702         | 56,322,197         | 3,886,310   | 427,950          |
| Distribution and transportation of goods  | 404                                    | 622                             | 6,044,274          | 9,485,657          | 14,147,687         | 1,060,828   | 157,292          |
| Information   | 171                                    | 213                             | 234,556            | 356,537            | 235,295            | -39,971   | 5,236            |
| Finance, insurance, real estate, and rental and leasing                                   | 44                                     | 64                              | 1,792,531          | 3,013,609          | 795,248            | 47,850  | 12,804           |
| Services  | 507                                    | 731                             | 7,667,269          | 10,771,513         | 9,993,473          | 1,069,082   | 155,166          |
| <b>COLOMBIA</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>264</b>                             | <b>391</b>                      | <b>7,273,131</b>   | <b>9,525,789</b>   | <b>10,100,052</b>  | <b>907,451</b>  | <b>310,649</b>   |
| Raw materials and energy production   | 10                                     | 17                              | 40,814             | 88,467             | 84,402             | 6,565   | * 536            |
| Goods production  | 78                                     | 100                             | 3,017,792          | 3,908,887          | 5,371,833          | 525,936   | 165,426          |
| Distribution and transportation of goods  | 83                                     | 98                              | 927,154            | 1,002,503          | 3,173,761          | 190,691   | 46,527           |
| Information   | 36                                     | 39                              | 178,426            | 168,105            | 192,559            | 15,769  | 4,110            |
| Finance, insurance, real estate, and rental and leasing                                   | 20                                     | 43                              | 2,625,833          | 3,890,410          | 918,632            | 165,837   | 79,626           |
| Services  | 59                                     | 94                              | 483,111            | 467,416            | 358,866            | 2,653   | 14,423           |
| <b>COSTA RICA</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>275</b>                             | <b>375</b>                      | <b>4,043,574</b>   | <b>5,049,709</b>   | <b>5,214,938</b>   | <b>514,402</b>  | <b>84,068</b>    |
| Raw materials and energy production   | 7                                      | 25                              | 357,448            | 526,303            | 659,277            | 19,814  | 4,544            |
| Goods production  | 69                                     | 84                              | 1,945,439          | 2,176,711          | 2,406,747          | 300,498   | 41,698           |
| Distribution and transportation of goods  | 53                                     | 68                              | 450,822            | 651,952            | 1,540,823          | 56,628  | 22,251           |
| Information   | 12                                     | 13                              | 27,430             | 39,493             | 58,355             | 1,363   | * 1,439          |
| Finance, insurance, real estate, and rental and leasing                                   | 14                                     | 32                              | 1,126,070          | 1,499,920          | 376,526            | 116,263   | 10,327           |
| Services  | 148                                    | 153                             | 136,366            | 155,330            | 173,210            | 19,835  | 3,809            |
| <b>CZECH REPUBLIC</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>339</b>                             | <b>511</b>                      | <b>16,244,810</b>  | <b>21,257,208</b>  | <b>12,733,432</b>  | <b>833,717</b>  | <b>239,138</b>   |
| Raw materials and energy production   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Goods production  | 132                                    | 176                             | 4,324,342          | 5,134,877          | 7,946,827          | 283,919   | 95,358           |
| Distribution and transportation of goods  | 104                                    | 125                             | 958,310            | 1,261,575          | 2,193,633          | 157,982   | 45,818           |
| Information   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Finance, insurance, real estate, and rental and leasing                                   | 24                                     | 37                              | 7,969,420          | 10,563,624         | 1,142,488          | 298,243   | 76,368           |
| Services  | 101                                    | 144                             | 2,358,535          | 2,988,267          | 1,217,660          | 83,332  | 18,720           |
| <b>DENMARK</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>410</b>                             | <b>675</b>                      | <b>27,368,353</b>  | <b>34,207,215</b>  | <b>18,176,843</b>  | <b>1,330,041</b>  | <b>262,018</b>   |
| Raw materials and energy production   | 10                                     | 10                              | * 81,433           | 107,485            | 158,446            | 23,505  | * 5,433          |
| Goods production  | 123                                    | 158                             | 10,474,896         | 16,153,337         | 7,418,968          | 457,340   | 54,611           |
| Distribution and transportation of goods  | 155                                    | 181                             | 1,834,537          | 2,240,161          | 3,960,416          | 210,386   | 58,092           |
| Information   | 25                                     | 29                              | 121,697            | 160,903            | 253,812            | -11,049   | 1,333            |
| Finance, insurance, real estate, and rental and leasing                                   | 32                                     | 52                              | 5,751,789          | 4,192,637          | 1,183,881          | 232,076   | 50,659           |
| Services  | 144                                    | 246                             | 9,104,001          | 11,352,693         | 5,201,321          | 417,782   | 91,890           |
| <b>FINLAND</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>241</b>                             | <b>355</b>                      | <b>9,992,659</b>   | <b>10,424,026</b>  | <b>7,736,838</b>   | <b>407,091</b>  | <b>103,403</b>   |
| Raw materials and energy production   | 0                                      | 0                               | 0                  | 0                  | 0                  | 0   | 0                |
| Goods production  | 68                                     | 82                              | 2,110,087          | 2,135,970          | 2,878,969          | 180,440   | 56,566           |
| Distribution and transportation of goods  | 88                                     | 104                             | 1,635,426          | 1,670,235          | 3,098,455          | 110,219   | 24,175           |
| Information   | 17                                     | 18                              | 53,104             | 64,125             | 105,154            | 856   | 1,817            |
| Finance, insurance, real estate, and rental and leasing                                   | 14                                     | 25                              | 2,059,723          | 2,471,542          | 252,176            | 22,739  | 5,465            |
| Services  | 80                                     | 126                             | 4,134,319          | 4,082,154          | 1,402,085          | 92,836  | 15,380           |
| <b>FRANCE (incl. Corsica, Guadeloupe, Martinique, and Reunion) [2]</b>                    |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>1,463</b>                           | <b>3,381</b>                    | <b>231,408,189</b> | <b>263,801,593</b> | <b>140,197,949</b> | <b>10,307,697</b>   | <b>2,682,312</b> |
| Raw materials and energy production   | 21                                     | 32                              | 1,923,685          | 887,240            | 1,122,556          | 96,870  | 10,563           |
| Goods production  | 524                                    | 982                             | 60,333,862         | 69,433,146         | 64,222,667         | 3,415,783   | 810,288          |
| Distribution and transportation of goods  | 450                                    | 667                             | 16,369,138         | 18,752,988         | 25,297,546         | 1,380,797   | 388,492          |
| Information   | 95                                     | 187                             | 6,509,289          | 9,217,760          | 4,214,406          | 376,037   | 79,074           |
| Finance, insurance, real estate, and rental and leasing                                   | 100                                    | 247                             | 75,415,166         | 83,641,424         | 10,656,939         | 2,730,015   | 587,911          |
| Services  | 615                                    | 1,257                           | 70,845,643         | 81,848,541         | 34,667,973         | 2,311,189   | 805,242          |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                    |                    |                    |   |                  |
|---|--|---------------------------------|--------------------|--------------------|--------------------|---|------------------|
|   |  | Number of foreign corporations  | Total assets       |                    | Total receipts     | Current earnings and profits (less deficit) before income taxes | Income taxes     |
|   |  |                                 | Beginning of year  | End of year        |                    |   |                  |
|   | (1)                                    | (2)                             | (3)                | (4)                | (5)                | (6)   | (7)              |
| <b>GERMANY [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>1,888</b>                           | <b>4,160</b>                    | <b>311,444,317</b> | <b>371,973,326</b> | <b>225,492,273</b> | <b>14,041,700</b>   | <b>3,524,132</b> |
| Raw materials and energy production   | 45                                     | 51                              | 378,967            | 349,021            | 373,430            | 38,708  | 16,084           |
| Goods production  | 659                                    | 1,179                           | 97,647,315         | 104,659,450        | 126,029,877        | 5,673,858   | 1,662,698        |
| Distribution and transportation of goods  | 614                                    | 901                             | 35,140,708         | 38,431,054         | 46,239,262         | 1,789,586   | 609,806          |
| Information   | 116                                    | 207                             | 2,962,275          | 3,544,265          | 3,392,224          | 83,345  | 58,978           |
| Finance, insurance, real estate, and rental and leasing                                   | 137                                    | 310                             | 83,944,843         | 102,304,059        | 10,978,808         | 2,764,884   | 390,470          |
| Services  | 808                                    | 1,491                           | 91,328,511         | 122,624,865        | 38,454,862         | 3,686,549   | 785,137          |
| <b>GREECE</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>179</b>                             | <b>246</b>                      | <b>5,446,004</b>   | <b>6,546,475</b>   | <b>7,345,769</b>   | <b>466,743</b>  | <b>184,934</b>   |
| Raw materials and energy production   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Goods production  | 46                                     | 50                              | 1,610,472          | 1,819,419          | 3,438,388          | 157,382   | 56,926           |
| Distribution and transportation of goods  | 70                                     | 82                              | 1,799,430          | 2,262,869          | 3,232,811          | 213,972   | 91,646           |
| Information   | 13                                     | 16                              | 394,553            | 460,413            | 157,667            | 9,590   | 7,610            |
| Finance, insurance, real estate, and rental and leasing                                   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Services  | 52                                     | 84                              | 1,086,101          | 1,232,383          | 352,653            | 36,246  | 17,078           |
| <b>HONG KONG [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>1,190</b>                           | <b>1,978</b>                    | <b>102,736,702</b> | <b>119,123,338</b> | <b>66,151,498</b>  | <b>9,856,015</b>  | <b>1,155,210</b> |
| Raw materials and energy production   | 4                                      | 6                               | * 3,680,647        | * 3,505,362        | * 1,606,326        | * 659,585   | * 113,862        |
| Goods production  | 250                                    | 315                             | 6,513,922          | 6,741,587          | 10,874,388         | 768,848   | 81,307           |
| Distribution and transportation of goods  | 408                                    | 545                             | 10,649,898         | 12,084,383         | 24,734,348         | 1,759,649   | 272,556          |
| Information   | 78                                     | 106                             | 1,021,985          | 1,270,808          | 1,339,657          | 2,802   | 14,355           |
| Finance, insurance, real estate, and rental and leasing                                   | 107                                    | 220                             | 62,980,758         | 67,935,573         | 13,509,854         | 2,460,113   | 462,385          |
| Services  | 512                                    | 780                             | 17,887,779         | 27,579,993         | 14,086,313         | 4,205,103   | 210,691          |
| <b>HUNGARY [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>308</b>                             | <b>437</b>                      | <b>16,942,871</b>  | <b>23,508,144</b>  | <b>12,464,526</b>  | <b>1,083,197</b>  | <b>125,593</b>   |
| Raw materials and energy production   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Goods production  | 98                                     | 118                             | 6,732,516          | 9,557,030          | 7,786,790          | 738,913   | 37,699           |
| Distribution and transportation of goods  | 90                                     | 105                             | 1,006,703          | 1,459,415          | 2,081,362          | 84,645  | 19,797           |
| Information   | 23                                     | 34                              | 709,715            | 548,460            | 565,372            | 53,975  | 6,836            |
| Finance, insurance, real estate, and rental and leasing                                   | 29                                     | 46                              | 6,324,637          | 8,694,800          | 931,233            | 122,088   | 42,603           |
| Services  | 90                                     | 123                             | 2,006,255          | 2,629,280          | 1,047,315          | 89,621  | 17,537           |
| <b>INDIA [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>1,158</b>                           | <b>1,634</b>                    | <b>19,508,680</b>  | <b>27,471,452</b>  | <b>26,889,445</b>  | <b>2,939,908</b>  | <b>738,078</b>   |
| Raw materials and energy production   | 11                                     | 16                              | * 148,989          | 187,601            | 115,397            | 48,773  | * 13,591         |
| Goods production  | 258                                    | 354                             | 7,769,029          | 9,378,452          | 10,808,233         | 1,242,008   | 297,436          |
| Distribution and transportation of goods  | 163                                    | 197                             | 1,964,334          | 2,372,462          | 4,808,474          | 145,107   | 93,401           |
| Information   | 112                                    | 136                             | 991,638            | 1,888,228          | 1,972,689          | 372,434   | 44,666           |
| Finance, insurance, real estate, and rental and leasing                                   | 37                                     | 75                              | 3,924,455          | 7,098,398          | 1,426,714          | 250,346   | 90,927           |
| Services  | 671                                    | 853                             | 4,710,090          | 6,544,224          | 7,756,982          | 881,735   | 197,936          |
| <b>INDONESIA [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>216</b>                             | <b>338</b>                      | <b>12,368,126</b>  | <b>14,533,675</b>  | <b>14,690,082</b>  | <b>3,808,435</b>  | <b>2,069,040</b> |
| Raw materials and energy production   | 16                                     | 27                              | 5,855,825          | 5,917,246          | 4,261,614          | 1,829,882   | 585,364          |
| Goods production  | 86                                     | 111                             | 2,744,561          | 4,505,220          | 5,226,706          | 453,370   | 243,239          |
| Distribution and transportation of goods  | 48                                     | 63                              | 434,632            | 567,891            | 3,843,503          | 88,990  | 28,647           |
| Information   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Finance, insurance, real estate, and rental and leasing                                   | 21                                     | 38                              | 2,913,516          | 3,072,684          | 1,020,107          | 210,417   | 22,410           |
| Services  | 61                                     | 79                              | 334,361            | 392,587            | 268,985            | 1,218,320   | 1,183,954        |
| <b>IRELAND [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>642</b>                             | <b>1,140</b>                    | <b>346,978,415</b> | <b>513,394,734</b> | <b>168,565,706</b> | <b>33,556,071</b>   | <b>1,863,666</b> |
| Raw materials and energy production   | 9                                      | 9                               | * 25,886           | * 30,445           | * 18,711           | * -4,236  | * 88             |
| Goods production  | 183                                    | 231                             | 40,686,059         | 41,087,294         | 77,478,111         | 12,848,856  | 247,478          |
| Distribution and transportation of goods  | 159                                    | 189                             | 11,445,798         | 30,063,009         | 28,111,401         | 1,562,373   | 151,922          |
| Information   | 38                                     | 45                              | 4,071,714          | 7,349,165          | 7,089,011          | 1,720,025   | 54,584           |
| Finance, insurance, real estate, and rental and leasing                                   | 152                                    | 339                             | 220,370,544        | 318,264,512        | 18,068,608         | 3,324,593   | 378,526          |
| Services  | 222                                    | 325                             | 70,283,971         | 116,600,265        | 37,789,694         | 14,100,871  | 1,031,067        |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                    |                    |                    |   |                  |
|---|--|---------------------------------|--------------------|--------------------|--------------------|---|------------------|
|   |  | Number of foreign corporations  | Total assets       |                    | Total receipts     | Current earnings and profits (less deficit) before income taxes | Income taxes     |
|   |  |                                 | Beginning of year  | End of year        |                    |   |                  |
|   | (1)                                    | (2)                             | (3)                | (4)                | (5)                | (6)   | (7)              |
| <b>ISREAL [2]</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>564</b>                             | <b>803</b>                      | <b>22,227,968</b>  | <b>29,063,753</b>  | <b>14,590,869</b>  | <b>1,290,654</b>  | <b>239,763</b>   |
| Raw materials and energy production   | 5                                      | 5                               | * 1,471            | * 4,860            | * 113              | * -3,563  | 0                |
| Goods production  | 133                                    | 190                             | 15,926,797         | 20,765,307         | 9,365,462          | 1,097,992   | 159,767          |
| Distribution and transportation of goods  | 60                                     | 67                              | 561,911            | 798,116            | 1,142,425          | 88,181  | 8,832            |
| Information   | 154                                    | 160                             | 159,929            | 265,992            | 296,946            | -30,120   | 1,387            |
| Finance, insurance, real estate, and rental and leasing                                   | 22                                     | 42                              | 1,284,344          | 1,802,437          | 297,934            | 50,262  | 7,241            |
| Services  | 241                                    | 334                             | 4,287,537          | 5,427,806          | 3,487,978          | 89,092  | 62,536           |
| <b>ITALY[2]</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>909</b>                             | <b>1,699</b>                    | <b>82,200,140</b>  | <b>93,511,546</b>  | <b>73,985,525</b>  | <b>6,534,605</b>  | <b>2,094,535</b> |
| Raw materials and energy production   | 12                                     | 17                              | 147,178            | 326,048            | 160,831            | 19,640  | 9,587            |
| Goods production  | 306                                    | 551                             | 42,264,604         | 47,301,443         | 37,801,519         | 3,660,171   | 1,105,924        |
| Distribution and transportation of goods  | 343                                    | 447                             | 14,202,346         | 15,958,288         | 19,528,925         | 1,031,316   | 417,052          |
| Information   | 60                                     | 90                              | 1,144,088          | 1,249,073          | 1,501,268          | 138,961   | 62,132           |
| Finance, insurance, real estate, and rental and leasing                                   | 61                                     | 136                             | 12,713,367         | 15,242,226         | 3,585,429          | 301,400   | 171,736          |
| Services  | 268                                    | 449                             | 11,723,872         | 13,418,391         | 11,401,539         | 1,381,466   | 327,316          |
| <b>JAPAN (including Okinawa and Ryukyu Islands) [2]</b>                                   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>1,379</b>                           | <b>2,554</b>                    | <b>389,503,893</b> | <b>473,249,351</b> | <b>211,533,432</b> | <b>15,745,699</b>   | <b>5,483,472</b> |
| Raw materials and energy production   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Goods production  | 374                                    | 548                             | 51,762,543         | 53,883,763         | 91,910,715         | 6,057,160   | 2,006,448        |
| Distribution and transportation of goods  | 447                                    | 599                             | 27,333,169         | 27,436,140         | 49,578,665         | 1,865,652   | 961,948          |
| Information   | 122                                    | 169                             | 3,724,723          | 4,628,831          | 5,141,802          | 658,191   | 282,999          |
| Finance, insurance, real estate, and rental and leasing                                   | 79                                     | 510                             | 278,790,047        | 356,100,274        | 36,909,841         | 5,520,177   | 1,421,504        |
| Services  | 523                                    | 721                             | 27,817,076         | 31,123,690         | 27,920,354         | 1,632,124   | 804,877          |
| <b>LUXEMBOURG [2]</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>294</b>                             | <b>515</b>                      | <b>530,915,954</b> | <b>551,577,959</b> | <b>212,365,063</b> | <b>17,031,369</b>   | <b>2,225,896</b> |
| Raw materials and energy production   | 3                                      | 3                               | * 2,721,604        | * 2,784,789        | * 1,656,924        | * 310,116   | * 47,610         |
| Goods production  | 56                                     | 63                              | 82,140,162         | 69,392,080         | 30,883,491         | 1,678,130   | 277,970          |
| Distribution and transportation of goods  | 29                                     | 35                              | 113,343,998        | 112,984,302        | 126,214,156        | 9,709,498   | 1,307,942        |
| Information   | 15                                     | 18                              | 4,029,033          | 4,577,837          | 842,131            | -229,819  | * 1,533          |
| Finance, insurance, real estate, and rental and leasing                                   | 66                                     | 181                             | 175,892,151        | 189,365,217        | 13,789,766         | 1,679,067   | 111,289          |
| Services  | 161                                    | 212                             | 152,789,006        | 172,473,734        | 38,978,596         | 3,884,379   | 479,551          |
| <b>MALAYSIA [2]</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>497</b>                             | <b>829</b>                      | <b>26,613,422</b>  | <b>28,062,580</b>  | <b>24,238,850</b>  | <b>2,077,421</b>  | <b>266,214</b>   |
| Raw materials and energy production   | 9                                      | 15                              | 227,488            | 260,509            | 207,110            | 22,755  | 3,994            |
| Goods production  | 170                                    | 244                             | 7,508,861          | 8,802,513          | 15,401,502         | 898,448   | 83,765           |
| Distribution and transportation of goods  | 146                                    | 193                             | 1,261,426          | 1,542,498          | 3,947,374          | 232,717   | 68,011           |
| Information   | 30                                     | 38                              | 25,645             | 36,098             | 58,558             | -1,455  | 250              |
| Finance, insurance, real estate, and rental and leasing                                   | 38                                     | 75                              | 14,712,064         | 15,254,761         | 1,341,171          | 223,210   | 76,506           |
| Services  | 181                                    | 261                             | 2,876,842          | 2,163,254          | 3,276,020          | 700,968   | 33,644           |
| <b>MAURITIUS [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>227</b>                             | <b>286</b>                      | <b>11,524,881</b>  | <b>17,715,305</b>  | <b>3,168,592</b>   | <b>29,474</b>   | <b>155,015</b>   |
| Raw materials and energy production   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Goods production  | 21                                     | 22                              | 372,196            | 385,030            | 343,910            | 26,960  | * 2,667          |
| Distribution and transportation of goods  | 8                                      | 9                               | * 112,580          | * 117,079          | * 222,030          | * 4,078   | * 307            |
| Information   | 7                                      | 7                               | * 176,109          | * 224,529          | * 125,340          | * 5,694   | * 2,308          |
| Finance, insurance, real estate, and rental and leasing                                   | 40                                     | 50                              | 915,244            | 1,178,726          | 456,318            | 428,991   | * 450            |
| Services  | 161                                    | 194                             | 9,173,424          | 15,085,875         | 1,150,534          | -778,197  | 39,179           |
| <b>MEXICO [2]</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>2,253</b>                           | <b>4,701</b>                    | <b>257,929,524</b> | <b>289,934,644</b> | <b>203,604,893</b> | <b>19,072,528</b>   | <b>4,129,658</b> |
| Raw materials and energy production   | 67                                     | 113                             | 5,513,139          | 6,218,174          | 6,640,551          | 1,344,996   | 416,518          |
| Goods production  | 1,195                                  | 1,966                           | 53,860,192         | 59,411,865         | 96,740,068         | 5,293,173   | 1,276,181        |
| Distribution and transportation of goods  | 628                                    | 856                             | 23,782,667         | 27,783,737         | 49,137,599         | 3,257,516   | 1,055,883        |
| Information   | 86                                     | 248                             | 4,008,226          | 2,745,816          | 5,522,301          | 438,959   | 121,310          |
| Finance, insurance, real estate, and rental and leasing                                   | 172                                    | 395                             | 117,984,623        | 134,284,597        | 28,469,765         | 4,807,183   | 906,410          |
| Services  | 643                                    | 1,113                           | 52,756,887         | 59,465,149         | 17,067,618         | 3,929,518   | 353,363          |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                    |                    |                    |   |                  |
|---|--|---------------------------------|--------------------|--------------------|--------------------|---|------------------|
|   |  | Number of foreign corporations  | Total assets       |                    | Total receipts     | Current earnings and profits (less deficit) before income taxes | Income taxes     |
|   |  |                                 | Beginning of year  | End of year        |                    |   |                  |
|   | (1)                                    | (2)                             | (3)                | (4)                | (5)                | (6)   | (7)              |
| <b>NETHERLANDS [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>1,365</b>                           | <b>3,123</b>                    | <b>698,260,287</b> | <b>756,366,608</b> | <b>305,677,784</b> | <b>36,778,601</b>   | <b>6,362,476</b> |
| Raw materials and energy production   | 36                                     | 67                              | 5,569,532          | 8,484,326          | 2,126,693          | 590,002   | 233,273          |
| Goods production  | 425                                    | 631                             | 140,194,819        | 150,394,595        | 101,620,234        | 12,206,264  | 1,970,726        |
| Distribution and transportation of goods  | 378                                    | 541                             | 137,129,005        | 106,666,387        | 105,030,756        | 9,487,351   | 787,991          |
| Information   | 84                                     | 151                             | 59,524,291         | 31,887,447         | 11,222,974         | 1,283,453   | 223,643          |
| Finance, insurance, real estate, and rental and leasing                                   | 159                                    | 345                             | 87,108,115         | 116,284,860        | 10,816,033         | 1,752,337   | 293,284          |
| Services  | 718                                    | 1,375                           | 268,706,680        | 342,629,912        | 74,800,810         | 11,469,811  | 2,853,468        |
| <b>NEW ZEALAND [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>428</b>                             | <b>639</b>                      | <b>11,235,077</b>  | <b>11,511,779</b>  | <b>10,067,473</b>  | <b>788,298</b>  | <b>212,109</b>   |
| Raw materials and energy production   | 43                                     | 44                              | 650,623            | 848,919            | 243,538            | 15,976  | * 5,902          |
| Goods production  | 116                                    | 129                             | 2,226,202          | 2,543,438          | 2,798,788          | 246,017   | 76,046           |
| Distribution and transportation of goods  | 146                                    | 177                             | 2,563,726          | 2,297,075          | 4,323,945          | 197,957   | 46,085           |
| Information   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Finance, insurance, real estate, and rental and leasing                                   | 28                                     | 57                              | 3,203,555          | 2,987,786          | 543,031            | 144,272   | 40,867           |
| Services  | 130                                    | 203                             | 2,349,001          | 2,551,909          | 1,864,022          | 131,504   | 32,377           |
| <b>NORWAY</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>259</b>                             | <b>417</b>                      | <b>24,087,419</b>  | <b>27,235,279</b>  | <b>16,693,323</b>  | <b>5,223,855</b>  | <b>3,513,510</b> |
| Raw materials and energy production   | 9                                      | 15                              | 8,159,420          | 8,120,972          | 6,280,356          | 4,422,486   | 3,325,376        |
| Goods production  | 63                                     | 76                              | 3,043,842          | 3,244,333          | 2,539,125          | 163,712   | 46,939           |
| Distribution and transportation of goods  | 104                                    | 126                             | 2,825,214          | 2,745,569          | 3,317,018          | 342,758   | 64,429           |
| Information   | 15                                     | 16                              | 88,611             | 90,880             | 130,064            | -868  | * 1,681          |
| Finance, insurance, real estate, and rental and leasing                                   | 15                                     | 25                              | 1,317,913          | 1,360,949          | 184,126            | 20,235  | * 3,638          |
| Services  | 91                                     | 159                             | 8,652,419          | 11,672,576         | 4,242,634          | 275,531   | 71,447           |
| <b>PANAMA (including Canal Zone) [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>165</b>                             | <b>274</b>                      | <b>11,499,994</b>  | <b>10,744,720</b>  | <b>6,003,866</b>   | <b>1,304,859</b>  | <b>127,022</b>   |
| Raw materials and energy production   | 14                                     | 25                              | 2,193,561          | 1,473,529          | 1,078,044          | 147,651   | 40,535           |
| Goods production  | 28                                     | 36                              | 906,453            | 1,032,526          | 1,014,416          | 107,740   | 6,610            |
| Distribution and transportation of goods  | 57                                     | 72                              | 3,665,722          | 3,701,504          | 2,764,626          | 613,541   | 65,062           |
| Information   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Finance, insurance, real estate, and rental and leasing                                   | 26                                     | 43                              | 1,813,920          | 1,895,780          | 395,540            | 146,628   | 4,969            |
| Services  | 52                                     | 80                              | 2,898,267          | 2,625,095          | 733,239            | 294,773   | 9,450            |
| <b>PHILIPPINES [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>283</b>                             | <b>512</b>                      | <b>15,287,201</b>  | <b>16,472,137</b>  | <b>13,970,420</b>  | <b>1,688,779</b>  | <b>296,775</b>   |
| Raw materials and energy production   | 12                                     | 35                              | 3,337,403          | 2,828,977          | 1,220,977          | 461,977   | 95,284           |
| Goods production  | 110                                    | 137                             | 4,441,003          | 5,053,693          | 8,828,926          | 424,214   | 115,192          |
| Distribution and transportation of goods  | 73                                     | 94                              | 488,798            | 654,492            | 976,877            | 68,631  | 22,419           |
| Information   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Finance, insurance, real estate, and rental and leasing                                   | 37                                     | 79                              | 5,032,714          | 5,546,290          | 1,032,963          | 172,917   | 37,876           |
| Services  | 93                                     | 137                             | 1,919,015          | 2,190,736          | 1,781,526          | 541,820   | 24,236           |
| <b>POLAND [2]</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>456</b>                             | <b>742</b>                      | <b>31,992,017</b>  | <b>40,552,563</b>  | <b>25,370,692</b>  | <b>2,103,248</b>  | <b>456,758</b>   |
| Raw materials and energy production   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Goods production  | 181                                    | 258                             | 9,813,212          | 12,221,475         | 15,656,611         | 1,072,019   | 205,654          |
| Distribution and transportation of goods  | 136                                    | 182                             | 1,970,950          | 2,455,038          | 4,646,712          | 340,423   | 72,108           |
| Information   | 27                                     | 38                              | 317,920            | 115,606            | 331,587            | -17,055   | 3,207            |
| Finance, insurance, real estate, and rental and leasing                                   | 33                                     | 67                              | 17,842,626         | 23,552,131         | 3,063,442          | 620,178   | 137,211          |
| Services  | 128                                    | 185                             | 1,864,955          | 2,175,488          | 1,585,384          | 81,332  | 37,313           |
| <b>PORTUGAL (including Azores) [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>244</b>                             | <b>406</b>                      | <b>21,417,409</b>  | <b>26,213,294</b>  | <b>15,072,920</b>  | <b>1,994,242</b>  | <b>399,881</b>   |
| Raw materials and energy production   | 4                                      | 4                               | * 3,954            | * 73,526           | * 3,726            | * -416  | * -21            |
| Goods production  | 78                                     | 103                             | 4,089,554          | 5,163,894          | 6,310,816          | 268,349   | 106,590          |
| Distribution and transportation of goods  | 92                                     | 119                             | 2,139,463          | 3,176,986          | 3,218,274          | 163,919   | 57,244           |
| Information   | 20                                     | 22                              | 262,554            | 258,441            | 305,773            | 18,380  | 8,064            |
| Finance, insurance, real estate, and rental and leasing                                   | 21                                     | 38                              | 3,430,083          | 3,949,622          | 653,375            | 14,078  | 27,676           |
| Services  | 73                                     | 117                             | 11,491,786         | 13,614,287         | 4,579,359          | 1,529,896   | 200,315          |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                    |                    |                    |   |                  |
|---|--|---------------------------------|--------------------|--------------------|--------------------|---|------------------|
|   |  | Number of foreign corporations  | Total assets       |                    | Total receipts     | Current earnings and profits (less deficit) before income taxes | Income taxes     |
|   |  |                                 | Beginning of year  | End of year        |                    |   |                  |
|   | (1)                                    | (2)                             | (3)                | (4)                | (5)                | (6)   | (7)              |
| <b>PUERTO RICO</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>301</b>                             | <b>401</b>                      | <b>23,807,087</b>  | <b>26,731,941</b>  | <b>26,729,345</b>  | <b>2,148,215</b>  | <b>278,746</b>   |
| Raw materials and energy production   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Goods production  | 84                                     | 100                             | 6,624,129          | 8,329,748          | 5,910,187          | 1,649,155   | 35,561           |
| Distribution and transportation of goods  | 95                                     | 103                             | 2,690,693          | 2,748,700          | 6,809,769          | 214,777   | 94,333           |
| Information   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Finance, insurance, real estate, and rental and leasing                                   | 40                                     | 65                              | 6,079,884          | 6,920,136          | 3,151,658          | 94,366  | 62,792           |
| Services  | 80                                     | 98                              | 5,143,497          | 5,392,109          | 8,384,756          | -45,007   | 24,498           |
| <b>ROMANIA</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>149</b>                             | <b>218</b>                      | <b>3,723,976</b>   | <b>4,870,540</b>   | <b>4,117,303</b>   | <b>303,759</b>  | <b>65,140</b>    |
| Raw materials and energy production   | 3                                      | 3                               | * 29,561           | * 61,561           | * 27,447           | * 8,819   | * 1,387          |
| Goods production  | 54                                     | 68                              | 1,251,192          | 1,888,836          | 2,413,067          | 120,821   | 30,786           |
| Distribution and transportation of goods  | 39                                     | 45                              | 432,148            | 408,078            | 943,719            | 80,911  | 16,089           |
| Information   | 15                                     | 36                              | 960,233            | 721,089            | 347,087            | 19,288  | 7,039            |
| Finance, insurance, real estate, and rental and leasing                                   | 11                                     | 16                              | 961,727            | 1,656,826          | 188,974            | 49,586  | 6,495            |
| Services  | 44                                     | 50                              | 89,115             | 134,149            | 197,009            | 24,335  | 3,345            |
| <b>RUSSIA [2]</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>281</b>                             | <b>506</b>                      | <b>7,530,413</b>   | <b>9,771,847</b>   | <b>14,970,113</b>  | <b>1,495,127</b>  | <b>512,279</b>   |
| Raw materials and energy production   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Goods production  | 88                                     | 135                             | 2,552,167          | 3,299,996          | 4,369,093          | 133,655   | 101,091          |
| Distribution and transportation of goods  | 81                                     | 116                             | 1,827,918          | 2,775,448          | 6,895,198          | 740,097   | 216,566          |
| Information   | 21                                     | 83                              | 1,053,009          | 1,432,903          | 1,536,414          | 423,276   | 105,380          |
| Finance, insurance, real estate, and rental and leasing                                   | 16                                     | 29                              | 668,751            | 1,126,463          | 365,999            | 41,584  | 19,168           |
| Services  | 92                                     | 121                             | 789,683            | 1,076,729          | 1,530,285          | 138,196   | 58,725           |
| <b>SINGAPORE [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>1,068</b>                           | <b>1,681</b>                    | <b>131,723,635</b> | <b>122,562,803</b> | <b>122,636,010</b> | <b>9,522,356</b>  | <b>705,707</b>   |
| Raw materials and energy production   | 15                                     | 18                              | 289,822            | 477,124            | 544,480            | 59,022  | 14,960           |
| Goods production  | 281                                    | 361                             | 19,211,544         | 21,487,435         | 30,578,937         | 3,180,649   | 212,972          |
| Distribution and transportation of goods  | 326                                    | 415                             | 15,712,992         | 19,739,845         | 66,639,076         | 1,786,563   | 171,916          |
| Information   | 79                                     | 104                             | 625,025            | 843,083            | 1,094,863          | 60,027  | 13,001           |
| Finance, insurance, real estate, and rental and leasing                                   | 74                                     | 133                             | 64,015,576         | 39,926,183         | 4,807,495          | 1,116,331   | 131,318          |
| Services  | 450                                    | 648                             | 31,868,676         | 40,045,315         | 18,971,159         | 3,320,409   | 161,540          |
| <b>SLOVAKIA</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>133</b>                             | <b>187</b>                      | <b>3,125,511</b>   | <b>4,375,561</b>   | <b>2,980,161</b>   | <b>177,337</b>  | <b>34,870</b>    |
| Raw materials and energy production   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Goods production  | 49                                     | 61                              | 1,041,278          | 1,240,199          | 1,792,264          | 54,452  | 13,125           |
| Distribution and transportation of goods  | 38                                     | 42                              | 405,711            | 538,384            | 533,127            | 55,049  | 6,432            |
| Information   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Finance, insurance, real estate, and rental and leasing                                   | 12                                     | 19                              | 1,442,178          | 2,270,950          | 275,099            | 51,618  | 10,222           |
| Services  | 33                                     | 51                              | 199,132            | 289,404            | 336,679            | 12,443  | 4,897            |
| <b>SOUTH AFRICA</b>   |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>376</b>                             | <b>643</b>                      | <b>12,974,807</b>  | <b>14,241,443</b>  | <b>21,145,251</b>  | <b>2,030,811</b>  | <b>533,215</b>   |
| Raw materials and energy production   | 8                                      | 9                               | * 176,298          | * 251,044          | * 134,648          | * 60,559  | * 210            |
| Goods production  | 150                                    | 197                             | 6,688,717          | 7,168,166          | 15,315,046         | 1,054,694   | 317,000          |
| Distribution and transportation of goods  | 112                                    | 138                             | 1,178,984          | 1,300,310          | 2,457,272          | 164,207   | 57,724           |
| Information   | 27                                     | 39                              | 80,466             | 141,129            | 172,631            | 27,805  | 10,878           |
| Finance, insurance, real estate, and rental and leasing                                   | 35                                     | 66                              | 2,995,859          | 3,234,747          | 1,083,122          | 436,733   | 88,857           |
| Services  | 111                                    | 194                             | 1,854,482          | 2,146,047          | 1,982,532          | 286,814   | 58,546           |
| <b>SOUTH KOREA [2]</b>  |  |                                 |                    |                    |                    |   |                  |
| <b>All industries</b>   | <b>579</b>                             | <b>814</b>                      | <b>123,047,880</b> | <b>133,887,527</b> | <b>79,929,828</b>  | <b>8,016,576</b>  | <b>1,625,952</b> |
| Raw materials and energy production   | d                                      | d                               | d                  | d                  | d                  | d   | d                |
| Goods production  | 211                                    | 269                             | 30,015,559         | 37,944,354         | 50,267,812         | 3,958,823   | 837,109          |
| Distribution and transportation of goods  | 187                                    | 206                             | 4,973,560          | 5,787,555          | 10,700,429         | 772,267   | 238,333          |
| Information   | 31                                     | 41                              | 2,550,052          | 2,821,270          | 2,028,765          | 197,317   | 76,668           |
| Finance, insurance, real estate, and rental and leasing                                   | 36                                     | 80                              | 81,558,333         | 82,544,545         | 11,105,879         | 2,779,869   | 360,672          |
| Services  | 173                                    | 212                             | 2,709,531          | 3,436,365          | 4,916,783          | 254,147   | 103,068          |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                      |                      |                    |   |                   |
|---|--|---------------------------------|----------------------|----------------------|--------------------|---|-------------------|
|   |  | Number of foreign corporations  | Total assets         |                      | Total receipts     | Current earnings and profits (less deficit) before income taxes | Income taxes      |
|   |  |                                 | Beginning of year    | End of year          |                    |   |                   |
|   | (1)                                    | (2)                             | (3)                  | (4)                  | (5)                | (6)   | (7)               |
| <b>SPAIN (including Canary Isles) [2]</b>   |  |                                 |                      |                      |                    |   |                   |
| <b>All industries</b>   | <b>842</b>                             | <b>1,599</b>                    | <b>125,593,457</b>   | <b>159,226,761</b>   | <b>147,329,312</b> | <b>10,877,675</b>   | <b>2,482,571</b>  |
| Raw materials and energy production   | 14                                     | 24                              | 831,146              | 1,105,175            | 222,278            | 26,759  | 2,657             |
| Goods production  | 263                                    | 446                             | 40,497,167           | 50,501,494           | 58,517,793         | 3,955,375   | 703,860           |
| Distribution and transportation of goods  | 303                                    | 405                             | 27,294,715           | 30,824,401           | 60,691,951         | 3,617,980   | 837,375           |
| Information   | 76                                     | 120                             | 1,611,822            | 1,866,458            | 1,984,585          | 215,723   | 61,527            |
| Finance, insurance, real estate, and rental and leasing                                   | 55                                     | 131                             | 22,218,835           | 32,852,086           | 4,461,131          | 982,441   | 251,074           |
| Services  | 279                                    | 468                             | 33,135,367           | 42,075,211           | 21,450,204         | 2,079,733   | 626,040           |
| <b>SWEDEN [2]</b>   |  |                                 |                      |                      |                    |   |                   |
| <b>All industries</b>   | <b>588</b>                             | <b>1,061</b>                    | <b>70,956,850</b>    | <b>88,946,389</b>    | <b>49,553,736</b>  | <b>4,569,835</b>  | <b>558,087</b>    |
| Raw materials and energy production   | 5                                      | 5                               | * 16,788             | * 17,855             | * 24,512           | * 31  | * 84              |
| Goods production  | 191                                    | 265                             | 21,326,113           | 24,894,022           | 29,592,124         | 755,253   | 331,425           |
| Distribution and transportation of goods  | 193                                    | 233                             | 2,859,655            | 3,564,839            | 7,438,555          | 374,017   | 59,765            |
| Information   | 42                                     | 69                              | 595,494              | 776,513              | 699,024            | 35,833  | 15,311            |
| Finance, insurance, real estate, and rental and leasing                                   | 41                                     | 74                              | 19,524,663           | 25,467,351           | 2,292,600          | 768,619   | 64,574            |
| Services  | 228                                    | 410                             | 26,625,360           | 34,215,997           | 9,490,198          | 2,634,499   | 86,517            |
| <b>SWITZERLAND [2]</b>  |  |                                 |                      |                      |                    |   |                   |
| <b>All industries</b>   | <b>770</b>                             | <b>1,410</b>                    | <b>312,118,290</b>   | <b>336,084,352</b>   | <b>247,790,701</b> | <b>32,592,690</b>   | <b>2,278,570</b>  |
| Raw materials and energy production   | 6                                      | 7                               | * 460,464            | * 943,850            | * 972,427          | * 347,629   | * 14,285          |
| Goods production  | 221                                    | 307                             | 108,609,878          | 101,102,920          | 106,589,843        | 15,215,563  | 1,042,883         |
| Distribution and transportation of goods  | 296                                    | 429                             | 38,688,618           | 48,492,756           | 89,524,469         | 5,832,441   | 481,382           |
| Information   | 50                                     | 85                              | 3,262,743            | 4,642,158            | 3,741,593          | 1,301,527   | 56,779            |
| Finance, insurance, real estate, and rental and leasing                                   | 75                                     | 126                             | 65,678,112           | 61,160,093           | 10,004,272         | 983,989   | 132,856           |
| Services  | 302                                    | 452                             | 95,415,993           | 119,731,911          | 36,947,753         | 8,915,993   | 549,595           |
| <b>TAIWAN [2]</b>   |  |                                 |                      |                      |                    |   |                   |
| <b>All industries</b>   | <b>406</b>                             | <b>564</b>                      | <b>64,278,381</b>    | <b>76,829,374</b>    | <b>37,246,615</b>  | <b>2,825,450</b>  | <b>586,851</b>    |
| Raw materials and energy production   | d                                      | d                               | d                    | d                    | d                  | d   | d                 |
| Goods production  | 174                                    | 211                             | 10,100,851           | 10,841,597           | 15,836,411         | 1,464,670   | 317,444           |
| Distribution and transportation of goods  | 114                                    | 129                             | 2,077,373            | 2,239,480            | 4,935,759          | 159,352   | 60,994            |
| Information   | 14                                     | 17                              | 71,339               | 67,793               | 116,686            | -696  | 1,391             |
| Finance, insurance, real estate, and rental and leasing                                   | 28                                     | 59                              | 49,506,008           | 60,954,587           | 12,743,638         | 891,916   | 124,790           |
| Services  | 113                                    | 145                             | 2,516,631            | 2,717,787            | 3,612,529          | 310,007   | 82,227            |
| <b>THAILAND</b>   |  |                                 |                      |                      |                    |   |                   |
| <b>All industries</b>   | <b>427</b>                             | <b>710</b>                      | <b>20,544,544</b>    | <b>24,236,140</b>    | <b>32,292,708</b>  | <b>2,161,851</b>  | <b>456,251</b>    |
| Raw materials and energy production   | 10                                     | 17                              | 1,036,232            | 1,006,900            | 824,719            | 321,090   | * 104,095         |
| Goods production  | 187                                    | 249                             | 8,970,440            | 11,117,447           | 23,491,852         | 1,268,708   | 171,524           |
| Distribution and transportation of goods  | 137                                    | 164                             | 2,023,927            | 2,416,905            | 5,135,670          | 193,168   | 72,656            |
| Information   | 10                                     | 15                              | 47,052               | 49,512               | 58,624             | -1,064  | * 2,240           |
| Finance, insurance, real estate, and rental and leasing                                   | 34                                     | 95                              | 7,158,938            | 8,047,464            | 1,331,269          | 174,347   | 61,479            |
| Services  | 115                                    | 171                             | 1,307,957            | 1,597,912            | 1,450,573          | 205,602   | 44,257            |
| <b>TURKEY [2]</b>   |  |                                 |                      |                      |                    |   |                   |
| <b>All industries</b>   | <b>221</b>                             | <b>317</b>                      | <b>9,513,596</b>     | <b>15,622,095</b>    | <b>22,366,774</b>  | <b>1,386,540</b>  | <b>334,357</b>    |
| Raw materials and energy production   | d                                      | d                               | d                    | d                    | d                  | d   | d                 |
| Goods production  | 60                                     | 74                              | 3,454,466            | 5,867,862            | 14,284,721         | 1,095,669   | 262,596           |
| Distribution and transportation of goods  | 72                                     | 87                              | 1,152,653            | 1,300,477            | 5,820,017          | 128,186   | 32,747            |
| Information   | 9                                      | 11                              | * 66,187             | 18,747               | 37,207             | -1,795  | * 115             |
| Finance, insurance, real estate, and rental and leasing                                   | 33                                     | 38                              | 2,707,082            | 5,833,905            | 1,268,751          | 70,599  | * 22,345          |
| Services  | 59                                     | 100                             | 2,121,812            | 2,588,265            | 936,023            | 91,258  | 16,103            |
| <b>UNITED KINGDOM AND NORTHERN IRELAND (including Gibraltar) [2]</b>                      |  |                                 |                      |                      |                    |   |                   |
| <b>All industries</b>   | <b>3,929</b>                           | <b>8,688</b>                    | <b>2,709,752,480</b> | <b>3,420,194,083</b> | <b>644,481,488</b> | <b>47,746,771</b>   | <b>11,657,709</b> |
| Raw materials and energy production   | 52                                     | 112                             | 22,082,359           | 27,225,065           | 20,382,550         | 4,455,728   | 1,374,589         |
| Goods production  | 1,122                                  | 1,807                           | 145,562,190          | 156,700,752          | 185,655,379        | 2,465,846   | 1,530,837         |
| Distribution and transportation of goods  | 844                                    | 1,278                           | 72,764,841           | 79,095,831           | 131,683,377        | 4,153,770   | 1,159,043         |
| Information   | 307                                    | 702                             | 93,074,458           | 99,253,608           | 29,351,667         | -127,613  | 417,421           |
| Finance, insurance, real estate, and rental and leasing                                   | 874                                    | 1,739                           | 1,987,758,458        | 2,570,465,481        | 165,641,718        | 26,146,418  | 4,838,193         |
| Services  | 1,553                                  | 3,019                           | 388,378,462          | 487,283,216          | 111,754,888        | 10,675,401  | 2,337,530         |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Number of U.S. corporation returns [1] | Controlled Foreign Corporations |                      |                      |                      |   |                   |
|---|--|---------------------------------|----------------------|----------------------|----------------------|---|-------------------|
|   |  | Number of foreign corporations  | Total assets         |                      | Total receipts       | Current earnings and profits (less deficit) before income taxes | Income taxes      |
|   |  |                                 | Beginning of year    | End of year          |                      |   |                   |
|   | (1)                                    | (2)                             | (3)                  | (4)                  | (5)                  | (6)   | (7)               |
| <b>VENEZUELA [2]</b>  |  |                                 |                      |                      |                      |   |                   |
| <b>All industries</b>   | <b>301</b>                             | <b>462</b>                      | <b>15,537,182</b>    | <b>18,441,422</b>    | <b>15,679,177</b>    | <b>2,832,042</b>  | <b>896,019</b>    |
| Raw materials and energy production   | 33                                     | 49                              | 3,570,594            | 4,215,312            | 1,390,237            | 316,564   | 70,365            |
| Goods production  | 110                                    | 134                             | 7,381,214            | 9,321,407            | 10,158,660           | 1,911,605   | 681,091           |
| Distribution and transportation of goods  | 81                                     | 106                             | 1,163,630            | 1,718,304            | 2,041,878            | 324,112   | 85,575            |
| Information   | d                                      | d                               | d                    | d                    | d                    | d   | d                 |
| Finance, insurance, real estate, and rental and leasing                                   | 25                                     | 37                              | 1,645,438            | 2,134,432            | 906,597              | 202,493   | 31,342            |
| Services  | 78                                     | 107                             | 1,621,537            | 885,743              | 1,047,885            | 57,977  | 21,191            |
| <b>EUROPEAN UNION, TOTAL [2]</b>  |  |                                 |                      |                      |                      |   |                   |
| <b>All industries</b>   | <b>5,769</b>                           | <b>31,306</b>                   | <b>5,342,396,764</b> | <b>6,502,796,706</b> | <b>2,156,381,207</b> | <b>196,063,572</b>  | <b>36,765,137</b> |
| Raw materials and energy production   | 140                                    | 392                             | 34,776,090           | 42,605,999           | 26,755,531           | 5,441,786   | 1,710,116         |
| Goods production  | 2,040                                  | 7,762                           | 750,941,066          | 811,711,041          | 807,864,534          | 51,702,610  | 9,870,262         |
| Distribution and transportation of goods  | 1,525                                  | 6,287                           | 454,628,524          | 465,446,993          | 593,790,246          | 35,335,974  | 6,353,028         |
| Information   | 439                                    | 1,941                           | 178,662,522          | 165,529,299          | 64,185,739           | 3,808,971   | 1,030,080         |
| Finance, insurance, real estate, and rental and leasing                                   | 1,178                                  | 3,980                           | 2,751,847,353        | 3,535,636,158        | 251,045,847          | 42,446,744  | 7,539,894         |
| Services  | 2,599                                  | 10,840                          | 1,171,215,474        | 1,481,591,348        | 412,588,990          | 57,352,026  | 10,258,412        |
| <b>OPEC COUNTRIES, TOTAL [2]</b>  |  |                                 |                      |                      |                      |   |                   |
| <b>All industries</b>   | <b>513</b>                             | <b>1,100</b>                    | <b>35,212,680</b>    | <b>42,603,875</b>    | <b>39,184,444</b>    | <b>9,544,563</b>  | <b>3,349,888</b>  |
| Raw materials and energy production   | 48                                     | 119                             | 13,711,606           | 15,783,621           | 9,323,909            | 4,441,997   | 973,583           |
| Goods production  | 187                                    | 302                             | 10,728,732           | 14,583,267           | 16,440,098           | 2,489,593   | 940,232           |
| Distribution and transportation of goods  | 154                                    | 247                             | 2,701,466            | 3,690,218            | 8,531,240            | 659,483   | 134,597           |
| Information   | 34                                     | 50                              | 256,473              | 260,357              | 203,562              | 27,030  | 11,881            |
| Finance, insurance, real estate, and rental and leasing                                   | 57                                     | 103                             | 5,274,555            | 6,262,518            | 2,216,715            | 533,782   | 69,830            |
| Services  | 159                                    | 275                             | 2,538,809            | 1,998,747            | 2,412,492            | 1,394,865   | 1,219,765         |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Controlled Foreign Corporations                                |  |                   |   |  | Total Subpart F income |
|---|--|--|-------------------|---|--|------------------------|
|   | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                   | Distributions out of earnings and profits | Dividends paid to controlling U.S. corporation |                        |
|   |  | Current earnings and profits before income taxes                               | Income taxes      |   |  |                        |
|   | (8)  | (9)  | (10)              | (11)                                      | (12)   | (13)                   |
| <b>ALL GEOGRAPHIC REGIONS [2]</b>   |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>410,911,841</b>   | <b>587,825,240</b>   | <b>96,589,279</b> | <b>188,640,507</b>                        | <b>61,555,842</b>                              | <b>60,027,807</b>      |
| Raw materials and energy production   | 42,701,113   | 68,518,529   | 21,346,450        | 22,670,384                                | 11,513,555                                     | 1,372,255              |
| Goods production  | 117,066,073  | 164,109,560  | 25,213,725        | 51,327,637                                | 16,648,381                                     | 9,621,299              |
| Distribution and transportation of goods  | 54,867,210   | 76,923,844   | 13,927,759        | 24,506,433                                | 8,101,761                                      | 8,629,504              |
| Information   | 6,784,952  | 16,854,464   | 2,369,998         | 4,496,460                                 | 3,062,461                                      | 960,698                |
| Finance, insurance, real estate, and rental and leasing                                   | 78,023,952   | 107,432,127  | 15,544,141        | 31,936,360                                | 6,099,012                                      | 19,868,251             |
| Services  | 111,507,514  | 153,940,881  | 18,180,508        | 53,687,478                                | 16,119,829                                     | 19,575,698             |
| <b>ARGENTINA [2]</b>  |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>1,615,454</b>   | <b>2,463,632</b>   | <b>585,134</b>    | <b>637,803</b>                            | <b>131,234</b>                                 | <b>99,322</b>          |
| Raw materials and energy production   | 382,980  | 500,110  | 89,565            | * 74,924                                  | * 14,202                                       | 12,282                 |
| Goods production  | 473,983  | 764,732  | 241,581           | 296,168                                   | 76,677   | 4,005                  |
| Distribution and transportation of goods  | 173,418  | 353,165  | 126,810           | 34,693                                    | * 14,870                                       | 7,479                  |
| Information   | d  | d  | d                 | d   | d  | d                      |
| Finance, insurance, real estate, and rental and leasing                                   | 299,834  | 428,520  | 63,948            | 64,231                                    | 16,086   | 62,905                 |
| Services  | 258,075  | 335,115  | 46,721            | 167,704                                   | * 9,398  | 9,919                  |
| <b>AUSTRALIA [2]</b>  |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>11,552,539</b>  | <b>16,984,045</b>  | <b>2,920,761</b>  | <b>8,376,946</b>                          | <b>3,226,269</b>                               | <b>855,852</b>         |
| Raw materials and energy production   | 1,308,017  | 2,210,924  | 451,111           | * 1,093,650                               | * 943,293                                      | * 13,562               |
| Goods production  | 2,590,345  | 4,209,755  | 1,140,120         | 2,249,293                                 | 301,573  | 74,142                 |
| Distribution and transportation of goods  | 639,648  | 1,027,718  | 290,170           | 451,108                                   | 378,632  | 20,200                 |
| Information   | 10,746   | 434,090  | 59,949            | 135,603                                   | * 26,651                                       | 19,341                 |
| Finance, insurance, real estate, and rental and leasing                                   | 3,735,574  | 4,673,110  | 460,109           | 1,709,808                                 | 356,336  | 415,284                |
| Services  | 3,267,040  | 4,425,518  | 519,302           | 2,737,483                                 | 1,219,783                                      | 313,323                |
| <b>AUSTRIA</b>  |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>2,341,823</b>   | <b>3,045,236</b>   | <b>529,180</b>    | <b>1,197,012</b>                          | <b>131,946</b>                                 | <b>753,302</b>         |
| Raw materials and energy production   | * -5,953   | * 5,006  | * 1,300           | 0   | 0  | * 172                  |
| Goods production  | 505,782  | 695,044  | 139,023           | * 146,414                                 | * 110,493                                      | 38,714                 |
| Distribution and transportation of goods  | 213,771  | 310,597  | 53,940            | 37,394                                    | * 12,415                                       | 16,646                 |
| Information   | 12,418   | 29,360   | 4,394             | * 7,605                                   | * 97   | * 3,397                |
| Finance, insurance, real estate, and rental and leasing                                   | 58,101   | 74,547   | 6,143             | * 4,671                                   | * 999  | * 3,677                |
| Services  | 1,557,703  | 1,930,682  | 324,381           | 1,000,928                                 | * 7,941  | 690,695                |
| <b>BAHAMAS</b>  |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>6,453,951</b>   | <b>9,543,271</b>   | <b>2,235,140</b>  | <b>5,712,604</b>                          | <b>1,667,676</b>                               | <b>1,846,022</b>       |
| Raw materials and energy production   | 2,391,056  | 4,863,194  | 1,778,483         | * 2,396,073                               | * 1,356,098                                    | 60,897                 |
| Goods production  | d  | d  | d                 | d   | d  | d                      |
| Distribution and transportation of goods  | 93,066   | 153,219  | * 23,824          | * 144,290                                 | * 8,361  | * 73,790               |
| Information   | d  | d  | d                 | d   | d  | d                      |
| Finance, insurance, real estate, and rental and leasing                                   | 1,046,769  | 1,160,624  | * 38,537          | 1,695,604                                 | * 1,039  | 367,721                |
| Services  | 2,083,193  | 2,499,967  | * 373,097         | * 1,149,300                               | * 3,914  | 1,304,076              |
| <b>BELGIUM [2]</b>  |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>1,889,633</b>   | <b>3,676,806</b>   | <b>698,361</b>    | <b>1,249,706</b>                          | <b>507,523</b>                                 | <b>354,935</b>         |
| Raw materials and energy production   | d  | d  | d                 | d   | d  | d                      |
| Goods production  | 485,471  | 1,308,690  | 314,020           | 588,485                                   | 262,949  | 61,032                 |
| Distribution and transportation of goods  | 264,199  | 601,191  | 152,776           | 236,461                                   | 82,172   | 43,206                 |
| Information   | 196,408  | 275,080  | 7,745             | * 13,927                                  | * 4,102  | * 3,375                |
| Finance, insurance, real estate, and rental and leasing                                   | 378,199  | 545,431  | 70,444            | 194,319                                   | * 8,829  | 167,733                |
| Services  | 548,494  | 928,002  | 151,825           | 202,331                                   | 149,471  | 79,590                 |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Controlled Foreign Corporations                                |  |                   |   |  | Total Subpart F income |
|---|--|--|-------------------|---|--|------------------------|
|   | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                   | Distributions out of earnings and profits | Dividends paid to controlling U.S. corporation |                        |
|   |  | Current earnings and profits before income taxes                               | Income taxes      |   |  |                        |
|   | (8)  | (9)  | (10)              | (11)                                      | (12)   | (13)                   |
| <b>BERMUDA [2]</b>  |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>42,742,711</b>  | <b>51,162,753</b>  | <b>5,975,999</b>  | <b>11,129,171</b>                         | <b>1,683,634</b>                               | <b>9,490,958</b>       |
| Raw materials and energy production   | 5,345,193  | 9,726,643  | 4,020,817         | * 1,074,172                               | * 1,002,979                                    | 137,798                |
| Goods production  | 11,145,473   | 12,101,188   | 358,666           | 3,643,477                                 | * 121,073                                      | 618,051                |
| Distribution and transportation of goods  | 2,880,083  | 3,431,267  | 190,875           | 590,050                                   | * 3,159  | 428,707                |
| Information   | * 83,679   | * 95,504   | * 11,174          | 0   | 0  | * 23,474               |
| Finance, insurance, real estate, and rental and leasing                                   | 4,296,858  | 5,000,541  | 263,375           | 1,557,826                                 | * 29,734                                       | 3,281,398              |
| Services  | 18,991,403   | 20,807,583   | 1,131,093         | 4,263,646                                 | 526,688  | 5,001,530              |
| <b>BRAZIL [2]</b>   |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>8,567,055</b>   | <b>12,350,824</b>  | <b>2,142,259</b>  | <b>4,375,340</b>                          | <b>1,599,919</b>                               | <b>450,908</b>         |
| Raw materials and energy production   | 2,480,323  | 2,999,728  | 503,486           | 1,177,358                                 | * 9,160  | 148,595                |
| Goods production  | 2,915,227  | 4,538,281  | 911,535           | 1,523,089                                 | 739,012  | 215,909                |
| Distribution and transportation of goods  | 304,039  | 815,860  | 213,647           | 143,230                                   | 96,308   | 20,353                 |
| Information   | 6,596  | 107,709  | 26,868            | * 6,741                                   | * 1,224  | * 6,219                |
| Finance, insurance, real estate, and rental and leasing                                   | 2,017,035  | 2,474,736  | 332,515           | 1,139,615                                 | 713,595  | 27,716                 |
| Services  | 843,716  | 1,410,916  | 152,574           | 385,307                                   | 40,620   | 32,116                 |
| <b>BRITISH VIRGIN ISLANDS [2]</b>   |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>5,514,914</b>   | <b>6,914,892</b>   | <b>1,177,044</b>  | <b>911,259</b>                            | <b>83,872</b>                                  | <b>255,042</b>         |
| Raw materials and energy production   | 1,543,158  | 2,218,977  | * 632,496         | * 37,989                                  | * 27,567                                       | * 46,050               |
| Goods production  | 2,108,468  | 2,120,924  | * 8,166           | * 79,580                                  | * 15,839                                       | * 149,758              |
| Distribution and transportation of goods  | 22,738   | 42,740   | * 9,916           | * 38,100                                  | * 11,550                                       | * 11,260               |
| Information   | d  | d  | d                 | d   | d  | d                      |
| Finance, insurance, real estate, and rental and leasing                                   | 359,156  | 802,357  | * 430,805         | * 9,067                                   | * 1,281  | * 13,569               |
| Services  | 1,482,773  | 1,725,305  | 95,042            | 740,055                                   | * 21,166                                       | 33,122                 |
| <b>CANADA [2]</b>   |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>31,149,426</b>  | <b>51,159,373</b>  | <b>11,239,260</b> | <b>21,057,219</b>                         | <b>11,404,255</b>                              | <b>2,284,098</b>       |
| Raw materials and energy production   | 8,486,368  | 12,572,894   | 2,717,110         | 6,608,689                                 | 4,353,137                                      | 134,549                |
| Goods production  | 6,504,705  | 13,144,078   | 3,561,994         | 3,785,718                                 | 1,810,625                                      | 588,455                |
| Distribution and transportation of goods  | 3,751,831  | 6,969,969  | 2,041,490         | 2,460,462                                 | 1,546,118                                      | 197,582                |
| Information   | 362,385  | 838,000  | 269,270           | 229,207                                   | 167,767  | 58,489                 |
| Finance, insurance, real estate, and rental and leasing                                   | 5,922,056  | 8,850,054  | 1,632,619         | 2,101,127                                 | 737,125  | 1,035,194              |
| Services  | 6,123,007  | 8,784,058  | 1,016,632         | 5,872,017                                 | 2,789,483                                      | 269,829                |
| <b>CAYMAN ISLANDS [2]</b>   |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>20,948,351</b>  | <b>28,081,689</b>  | <b>4,790,190</b>  | <b>10,297,776</b>                         | <b>3,547,555</b>                               | <b>3,645,881</b>       |
| Raw materials and energy production   | 6,010,359  | 9,478,003  | 3,223,115         | * 1,572,708                               | * 325,024                                      | 80,611                 |
| Goods production  | 3,453,842  | 3,899,953  | 220,020           | * 1,598,007                               | * 1,301,109                                    | 378,810                |
| Distribution and transportation of goods  | 677,461  | 848,002  | 104,728           | * 102,659                                 | * 39,510                                       | 82,255                 |
| Information   | d  | d  | d                 | d   | d  | d                      |
| Finance, insurance, real estate, and rental and leasing                                   | 5,977,272  | 7,107,847  | 625,782           | 2,371,108                                 | 84,782   | 2,094,048              |
| Services  | 4,836,674  | 6,737,883  | 613,939           | 4,653,294                                 | 1,797,131                                      | 1,010,157              |
| <b>CHILE [2]</b>  |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>2,865,533</b>   | <b>3,629,752</b>   | <b>527,047</b>    | <b>1,946,962</b>                          | <b>1,124,879</b>                               | <b>201,017</b>         |
| Raw materials and energy production   | 1,926,623  | 2,350,957  | 414,420           | 1,535,142                                 | * 863,338                                      | 49,918                 |
| Goods production  | 305,409  | 393,360  | 22,804            | 220,298                                   | 161,721  | * 16,050               |
| Distribution and transportation of goods  | 150,566  | 227,310  | 31,664            | 19,948                                    | * 9,227  | 13,397                 |
| Information   | 25,221   | 82,233   | * 7,520           | * 22,740                                  | * 7,733  | * 2,236                |
| Finance, insurance, real estate, and rental and leasing                                   | 155,878  | 230,503  | 26,423            | 59,223                                    | * 18,371                                       | 92,126                 |
| Services  | 301,889  | 345,122  | 24,216            | 89,610                                    | 64,490   | 27,290                 |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Controlled Foreign Corporations                                |  |                  |   |  |                        |
|---|--|--|------------------|---|--|------------------------|
|   | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                  | Distributions out of earnings and profits | Dividends paid to controlling U.S. corporation | Total Subpart F income |
|   |  | Current earnings and profits before income taxes                               | Income taxes     |   |  |                        |
|   | (8)  | (9)  | (10)             | (11)                                      | (12)   | (13)                   |
| <b>CHINA [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>5,332,802</b>   | <b>7,629,118</b>   | <b>743,442</b>   | <b>1,465,851</b>                          | <b>488,399</b>                                 | <b>307,378</b>         |
| Raw materials and energy production   | 67,856   | 78,428   | * 1,538          | * 589                                     | * 477  | * 77                   |
| Goods production  | 3,458,360  | 4,787,201  | 423,744          | 990,203                                   | 254,456  | 112,739                |
| Distribution and transportation of goods  | 903,536  | 1,323,363  | 155,622          | 184,140                                   | 148,153  | 37,959                 |
| Information   | -45,207  | 18,548   | 4,028            | 0   | 0  | * 11                   |
| Finance, insurance, real estate, and rental and leasing                                   | 35,046   | 99,710   | 12,347           | * 282                                     | 0  | * 1,707                |
| Services  | 913,916  | 1,320,424  | 145,538          | 290,636                                   | 85,314   | 154,883                |
| <b>COLOMBIA</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>596,802</b>   | <b>979,704</b>   | <b>303,179</b>   | <b>158,774</b>                            | <b>86,913</b>                                  | <b>22,222</b>          |
| Raw materials and energy production   | 6,029  | * 8,863  | * 186            | * 929                                     | * 929  | 0                      |
| Goods production  | 360,509  | 558,634  | 162,931          | 91,088                                    | 63,031   | * 17,545               |
| Distribution and transportation of goods  | 144,164  | 197,784  | 45,336           | 41,532                                    | 20,375   | * 4,092                |
| Information   | 11,659   | 21,125   | * 2,976          | * 530                                     | * 520  | * 347                  |
| Finance, insurance, real estate, and rental and leasing                                   | 86,211   | 168,433  | 79,578           | * 9,918                                   | * 1,850  | * 134                  |
| Services  | -11,770  | 24,865   | 12,171           | 14,777                                    | * 207  | * 103                  |
| <b>COSTA RICA</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>430,334</b>   | <b>574,827</b>   | <b>82,799</b>    | <b>108,860</b>                            | <b>33,591</b>                                  | <b>48,886</b>          |
| Raw materials and energy production   | 15,271   | 32,221   | * 4,488          | 0   | 0  | * 1,021                |
| Goods production  | 258,800  | 329,798  | 41,394           | 32,259                                    | * 23,801                                       | 41,659                 |
| Distribution and transportation of goods  | 34,378   | 60,571   | 21,326           | * 25,467                                  | * 6,610  | * 3,264                |
| Information   | -77  | * 7,349  | * 1,439          | 0   | 0  | * 2,420                |
| Finance, insurance, real estate, and rental and leasing                                   | 105,936  | 119,813  | 10,322           | * 47,501                                  | 0  | 0                      |
| Services  | 16,027   | 25,074   | 3,829            | * 3,632                                   | * 3,180  | * 522                  |
| <b>CZECH REPUBLIC</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>594,579</b>   | <b>1,205,300</b>   | <b>233,319</b>   | <b>471,985</b>                            | <b>223,334</b>                                 | <b>126,650</b>         |
| Raw materials and energy production   | d  | d  | d                | d   | d  | d                      |
| Goods production  | 188,561  | 604,333  | 94,146           | 360,548                                   | * 199,315                                      | 96,451                 |
| Distribution and transportation of goods  | 112,164  | 169,453  | 45,389           | 93,840                                    | * 21,726                                       | 1,715                  |
| Information   | d  | d  | d                | d   | d  | d                      |
| Finance, insurance, real estate, and rental and leasing                                   | 221,875  | 307,829  | 72,261           | * 2,984                                   | * 1,527  | * 14,285               |
| Services  | 64,612   | 104,837  | 18,615           | * 6,217                                   | * 765  | * 4,131                |
| <b>DENMARK</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>1,068,023</b>   | <b>1,848,564</b>   | <b>254,789</b>   | <b>733,016</b>                            | <b>105,409</b>                                 | <b>209,601</b>         |
| Raw materials and energy production   | 18,071   | * 23,915   | * 5,105          | * 3,974                                   | * 3,969  | * 554                  |
| Goods production  | 402,729  | 662,245  | 58,661           | 234,538                                   | * 2,322  | 119,636                |
| Distribution and transportation of goods  | 152,294  | 246,711  | 57,717           | 76,794                                    | * 38,725                                       | 19,326                 |
| Information   | -12,382  | 2,750  | * 543            | * 316                                     | 0  | * 508                  |
| Finance, insurance, real estate, and rental and leasing                                   | 181,418  | 236,093  | 50,147           | * 2,646                                   | 0  | 48,919                 |
| Services  | 325,892  | 676,850  | 82,616           | 414,748                                   | * 60,393                                       | 20,658                 |
| <b>FINLAND</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>303,688</b>   | <b>567,676</b>   | <b>102,384</b>   | <b>388,975</b>                            | <b>16,257</b>                                  | <b>32,006</b>          |
| Raw materials and energy production   | 0  | 0  | 0                | 0   | 0  | 0                      |
| Goods production  | 123,874  | 203,456  | 56,529           | 33,298                                    | * 6,994  | * 7,767                |
| Distribution and transportation of goods  | 86,044   | 119,733  | 23,690           | 304,429                                   | * 2,263  | 15,355                 |
| Information   | -961   | * 10,822   | * 1,827          | * 5,684                                   | * 3,395  | * 386                  |
| Finance, insurance, real estate, and rental and leasing                                   | 17,274   | 29,583   | 5,401            | * 13,818                                  | * 1,865  | * 3,715                |
| Services  | 77,456   | 204,082  | 14,937           | 31,747                                    | * 1,740  | 4,782                  |
| <b>FRANCE (incl. Corsica, Guadeloupe, Martinique, and Reunion) [2]</b>                    |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>7,625,385</b>   | <b>13,770,124</b>  | <b>2,622,813</b> | <b>5,365,108</b>                          | <b>949,605</b>                                 | <b>1,168,151</b>       |
| Raw materials and energy production   | 86,307   | 104,401  | 9,539            | * 68,148                                  | * 63,701                                       | * 288                  |
| Goods production  | 2,605,495  | 4,813,441  | 774,972          | 2,619,101                                 | 494,462  | 318,613                |
| Distribution and transportation of goods  | 992,305  | 1,765,391  | 385,788          | 434,553                                   | 147,751  | 52,730                 |
| Information   | 296,963  | 590,663  | 80,352           | 221,954                                   | * 82,020                                       | 10,003                 |
| Finance, insurance, real estate, and rental and leasing                                   | 2,142,103  | 3,074,595  | 580,388          | 796,423                                   | * 6,726  | 635,555                |
| Services  | 1,505,947  | 3,420,024  | 791,032          | 1,224,296                                 | 154,311  | 150,961                |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Controlled Foreign Corporations                                |  |                  |   |  | Total Subpart F income |
|---|--|--|------------------|---|--|------------------------|
|   | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                  | Distributions out of earnings and profits | Dividends paid to controlling U.S. corporation |                        |
|   |  | Current earnings and profits before income taxes                               | Income taxes     |   |  |                        |
|   | (8)  | (9)  | (10)             | (11)                                      | (12)   | (13)                   |
| <b>GERMANY [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>10,517,569</b>  | <b>17,766,711</b>  | <b>3,284,382</b> | <b>5,834,040</b>                          | <b>1,607,722</b>                               | <b>1,571,630</b>       |
| Raw materials and energy production   | 22,625   | 48,231   | * 12,112         | * 37,213                                  | * 2,865  | * 5,538                |
| Goods production  | 4,011,160  | 6,717,785  | 1,565,362        | 2,312,396                                 | 411,474  | 361,952                |
| Distribution and transportation of goods  | 1,179,780  | 2,672,632  | 606,144          | 1,436,720                                 | 629,600  | 249,332                |
| Information   | 24,367   | 213,373  | 57,516           | 49,713                                    | * 10,444                                       | 17,102                 |
| Finance, insurance, real estate, and rental and leasing                                   | 2,374,414  | 2,968,634  | 380,206          | 372,187                                   | * 79,128                                       | 359,774                |
| Services  | 2,901,411  | 5,138,531  | 662,042          | 1,625,474                                 | 474,212  | 577,932                |
| <b>GREECE</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>281,809</b>   | <b>553,983</b>   | <b>174,307</b>   | <b>220,705</b>                            | <b>92,065</b>                                  | <b>* 8,928</b>         |
| Raw materials and energy production   | d  | d  | d                | d   | d  | d                      |
| Goods production  | 100,456  | 179,883  | 52,361           | * 84,471                                  | * 18,248                                       | 0                      |
| Distribution and transportation of goods  | 122,326  | 248,579  | 88,009           | 102,662                                   | * 63,430                                       | * 2,784                |
| Information   | 1,979  | 10,020   | 7,556            | * 50                                      | 0  | 0                      |
| Finance, insurance, real estate, and rental and leasing                                   | d  | d  | d                | d   | d  | d                      |
| Services  | 19,167   | 65,847   | 14,707           | 15,311                                    | * 7,886  | * 6,144                |
| <b>HONG KONG [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>8,700,804</b>   | <b>10,354,815</b>  | <b>1,146,019</b> | <b>3,224,105</b>                          | <b>610,673</b>                                 | <b>1,380,906</b>       |
| Raw materials and energy production   | * 545,723  | * 659,998  | * 113,862        | * 468,838                                 | 0  | * 297                  |
| Goods production  | 687,541  | 868,484  | 81,824           | 396,324                                   | 168,712  | 160,168                |
| Distribution and transportation of goods  | 1,487,093  | 1,920,264  | 270,490          | 1,134,486                                 | 151,556  | 641,943                |
| Information   | -11,553  | 47,823   | 11,630           | * 12,057                                  | * 12,059                                       | * 6,763                |
| Finance, insurance, real estate, and rental and leasing                                   | 1,997,729  | 2,504,075  | 462,146          | 354,779                                   | * 43,555                                       | 305,157                |
| Services  | 3,994,412  | 4,353,997  | 206,012          | 857,621                                   | 234,790  | 266,579                |
| <b>HUNGARY [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>957,603</b>   | <b>1,243,463</b>   | <b>110,267</b>   | <b>445,102</b>                            | <b>88,619</b>                                  | <b>305,212</b>         |
| Raw materials and energy production   | d  | d  | d                | d   | d  | d                      |
| Goods production  | 701,214  | 809,109  | 36,929           | 322,291                                   | * 48,503                                       | 255,168                |
| Distribution and transportation of goods  | 64,848   | 123,592  | 18,315           | 60,147                                    | * 24,566                                       | * 10,969               |
| Information   | 47,139   | 62,161   | 6,835            | * 12,296                                  | * 317  | * 1,330                |
| Finance, insurance, real estate, and rental and leasing                                   | 79,484   | 135,644  | 29,871           | * 6,059                                   | * 4,418  | * 2,774                |
| Services  | 72,084   | 108,859  | 17,196           | 44,309                                    | * 10,815                                       | * 34,970               |
| <b>INDIA [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>2,201,830</b>   | <b>3,335,314</b>   | <b>729,413</b>   | <b>272,855</b>                            | <b>114,784</b>                                 | <b>159,875</b>         |
| Raw materials and energy production   | 35,182   | * 58,622   | * 13,588         | * 4,835                                   | * 2,422  | * 489                  |
| Goods production  | 944,572  | 1,352,274  | 293,021          | 177,839                                   | 86,589   | 20,745                 |
| Distribution and transportation of goods  | 51,706   | 243,105  | 91,234           | 21,068                                    | * 5,006  | 2,652                  |
| Information   | 327,768  | 394,453  | 44,760           | * 3,623                                   | * 3,531  | * 76,476               |
| Finance, insurance, real estate, and rental and leasing                                   | 159,419  | 317,405  | 89,688           | * 13,557                                  | * 4,190  | 14,766                 |
| Services  | 683,799  | 969,133  | 197,000          | 51,933                                    | 13,045   | 44,748                 |
| <b>INDONESIA [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>1,739,395</b>   | <b>3,920,456</b>   | <b>2,061,664</b> | <b>1,204,781</b>                          | <b>186,213</b>                                 | <b>14,443</b>          |
| Raw materials and energy production   | 1,244,518  | 1,838,133  | 585,364          | * 917,296                                 | * 133,456                                      | * 1,752                |
| Goods production  | 210,131  | 512,111  | 240,111          | 185,541                                   | * 14,045                                       | 7,450                  |
| Distribution and transportation of goods  | 60,343   | 105,880  | 26,567           | * 25,484                                  | * 3,195  | * 65                   |
| Information   | d  | d  | d                | d   | d  | d                      |
| Finance, insurance, real estate, and rental and leasing                                   | 188,007  | 218,612  | 22,099           | * 65,319                                  | * 27,134                                       | * 2,621                |
| Services  | 34,366   | 1,233,054  | 1,181,902        | * 11,141                                  | * 8,383  | * 751                  |
| <b>IRELAND [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>31,692,405</b>  | <b>37,551,579</b>  | <b>1,803,293</b> | <b>7,729,109</b>                          | <b>1,486,584</b>                               | <b>5,090,290</b>       |
| Raw materials and energy production   | * -4,324   | * 273  | * 43             | 0   | 0  | 0                      |
| Goods production  | 12,601,378   | 13,050,351   | 243,455          | 2,609,608                                 | * 1,314,734                                    | 449,000                |
| Distribution and transportation of goods  | 1,410,452  | 1,621,804  | 152,317          | 95,504                                    | * 9,492  | 287,862                |
| Information   | 1,665,441  | 1,785,253  | 48,521           | * 29,625                                  | * 7,504  | * 88,093               |
| Finance, insurance, real estate, and rental and leasing                                   | 2,946,067  | 6,778,599  | 349,014          | 4,420,534                                 | * 42,382                                       | 3,347,005              |
| Services  | 13,069,804   | 14,311,700   | 1,009,942        | 573,838                                   | * 112,472                                      | 918,329                |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Controlled Foreign Corporations                                |  |                  |   |  | Total Subpart F income |
|---|--|--|------------------|---|--|------------------------|
|   | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                  | Distributions out of earnings and profits | Dividends paid to controlling U.S. corporation |                        |
|   |  | Current earnings and profits before income taxes                               | Income taxes     |   |  |                        |
|   | (8)  | (9)  | (10)             | (11)                                      | (12)   | (13)                   |
| <b>ISREAL [2]</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>1,050,891</b>   | <b>1,992,782</b>   | <b>228,695</b>   | <b>86,630</b>                             | <b>26,671</b>                                  | <b>115,088</b>         |
| Raw materials and energy production   | * -3,563   | 0  | 0                | 0   | 0  | 0                      |
| Goods production  | 938,225  | 1,434,276  | 152,553          | * 60,899                                  | * 9,026  | 78,643                 |
| Distribution and transportation of goods  | 79,349   | 100,404  | 8,882            | * 10,311                                  | * 6,057  | * 3,669                |
| Information   | -31,506  | 20,725   | 1,380            | 0   | 0  | * 217                  |
| Finance, insurance, real estate, and rental and leasing                                   | 43,021   | 57,889   | 7,470            | * 948                                     | 0  | * 1,043                |
| Services  | 26,555   | 379,487  | 58,411           | 14,473                                    | * 11,587                                       | 31,515                 |
| <b>ITALY [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>4,440,070</b>   | <b>7,677,287</b>   | <b>2,005,529</b> | <b>2,174,589</b>                          | <b>569,297</b>                                 | <b>342,161</b>         |
| Raw materials and energy production   | 10,054   | 20,409   | 9,587            | 0   | 0  | * 2                    |
| Goods production  | 2,554,246  | 4,149,358  | 1,069,913        | 1,660,278                                 | 492,750  | 85,330                 |
| Distribution and transportation of goods  | 614,264  | 1,195,936  | 399,996          | 225,048                                   | 40,225   | 39,117                 |
| Information   | 76,830   | 172,856  | 61,211           | * 14,993                                  | * 7,622  | * 19,909               |
| Finance, insurance, real estate, and rental and leasing                                   | 129,664  | 559,431  | 155,962          | 44,665                                    | * 13,192                                       | 67,054                 |
| Services  | 1,054,151  | 1,577,272  | 308,071          | 226,761                                   | 15,509   | 130,749                |
| <b>JAPAN (including Okinawa and Ryukyu Islands) [2]</b>                                   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>10,262,226</b>  | <b>17,898,078</b>  | <b>5,547,251</b> | <b>5,485,590</b>                          | <b>1,615,720</b>                               | <b>1,866,363</b>       |
| Raw materials and energy production   | d  | d  | d                | d   | d  | d                      |
| Goods production  | 4,050,711  | 6,523,439  | 2,153,535        | 2,378,758                                 | 804,619  | 297,938                |
| Distribution and transportation of goods  | 903,703  | 2,394,808  | 934,193          | 583,660                                   | 284,123  | 1,114,123              |
| Information   | 375,192  | 777,402  | 276,430          | * 175,577                                 | * 122,856                                      | * 14,257               |
| Finance, insurance, real estate, and rental and leasing                                   | 4,098,673  | 6,317,940  | 1,394,138        | 2,019,527                                 | 229,292  | 419,252                |
| Services  | 827,247  | 1,871,942  | 783,260          | 321,228                                   | 174,483  | 20,791                 |
| <b>LUXEMBOURG [2]</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>14,805,473</b>  | <b>17,818,751</b>  | <b>2,201,999</b> | <b>9,769,148</b>                          | <b>1,854,603</b>                               | <b>3,833,812</b>       |
| Raw materials and energy production   | * 262,505  | * 310,116  | * 47,610         | * 381,546                                 | * 175,920                                      | * 1,932                |
| Goods production  | 1,400,160  | 1,731,972  | 267,570          | 1,252,679                                 | * 413,609                                      | 173,653                |
| Distribution and transportation of goods  | 8,401,556  | 9,712,479  | 1,307,613        | * 4,729,109                               | * 81,772                                       | * 2,223,146            |
| Information   | -231,352   | 8,602  | * 11,952         | 0   | 0  | * 294                  |
| Finance, insurance, real estate, and rental and leasing                                   | 1,567,778  | 1,849,885  | 104,506          | 471,181                                   | * 97,551                                       | 865,323                |
| Services  | 3,404,828  | 4,205,697  | 462,748          | 2,934,633                                 | 1,085,750                                      | 569,463                |
| <b>MALAYSIA [2]</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>1,811,207</b>   | <b>2,497,061</b>   | <b>263,113</b>   | <b>360,936</b>                            | <b>168,862</b>                                 | <b>80,480</b>          |
| Raw materials and energy production   | 18,761   | 23,088   | * 3,702          | * 7,054                                   | * 4,769  | * 445                  |
| Goods production  | 814,683  | 964,574  | 81,287           | 209,099                                   | 102,929  | 42,454                 |
| Distribution and transportation of goods  | 164,706  | 253,936  | 69,732           | 95,630                                    | * 35,084                                       | 3,662                  |
| Information   | -1,705   | 3,958  | 199              | 0   | 0  | * 588                  |
| Finance, insurance, real estate, and rental and leasing                                   | 146,704  | 503,545  | 76,457           | * 9,130                                   | * 3,301  | 5,225                  |
| Services  | 667,325  | 747,173  | 31,691           | 40,024                                    | * 22,778                                       | 28,105                 |
| <b>MAURITIUS [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>-125,541</b>  | <b>1,178,039</b>   | <b>154,556</b>   | <b>977,435</b>                            | <b>659,521</b>                                 | <b>272,337</b>         |
| Raw materials and energy production   | d  | d  | d                | d   | d  | d                      |
| Goods production  | 24,293   | 29,164   | * 2,667          | * 6,274                                   | * 3,697  | * 571                  |
| Distribution and transportation of goods  | * 3,770  | * 4,404  | * 307            | 0   | 0  | * 582                  |
| Information   | * 3,386  | * 6,014  | * 2,308          | 0   | 0  | 0                      |
| Finance, insurance, real estate, and rental and leasing                                   | 428,540  | 447,111  | * 441            | * 520,140                                 | * 227,786                                      | 216,830                |
| Services  | -817,376   | 349,369  | 38,730           | 139,021                                   | * 116,039                                      | 54,078                 |
| <b>MEXICO [2]</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>14,942,871</b>  | <b>20,876,637</b>  | <b>4,047,120</b> | <b>5,457,542</b>                          | <b>2,009,679</b>                               | <b>491,153</b>         |
| Raw materials and energy production   | 928,479  | 1,414,348  | 414,171          | * 398,092                                 | * 89,784                                       | * 5,173                |
| Goods production  | 4,016,992  | 6,191,225  | 1,247,183        | 2,258,924                                 | 699,314  | 128,669                |
| Distribution and transportation of goods  | 2,201,633  | 3,612,090  | 1,046,228        | 734,785                                   | 66,991   | 81,944                 |
| Information   | 317,650  | 500,066  | 116,384          | * 9,666                                   | * 8,735  | * 26,863               |
| Finance, insurance, real estate, and rental and leasing                                   | 3,900,772  | 5,022,699  | 878,181          | 372,084                                   | 172,447  | 34,427                 |
| Services  | 3,576,155  | 4,134,919  | 344,979          | 1,683,991                                 | 972,408  | 214,077                |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Controlled Foreign Corporations                                |  |                  |   |  | Total Subpart F income |
|---|--|--|------------------|---|--|------------------------|
|   | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                  | Distributions out of earnings and profits | Dividends paid to controlling U.S. corporation |                        |
|   |  | Current earnings and profits before income taxes                               | Income taxes     |   |  |                        |
|   | (8)  | (9)  | (10)             | (11)                                      | (12)   | (13)                   |
| <b>NETHERLANDS [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>30,416,124</b>  | <b>41,989,586</b>  | <b>6,181,833</b> | <b>13,787,867</b>                         | <b>5,901,488</b>                               | <b>4,303,990</b>       |
| Raw materials and energy production   | 356,730  | 840,721  | 220,855          | * 77,423                                  | 0  | 45,653                 |
| Goods production  | 10,235,538   | 12,827,216   | 1,955,356        | 4,223,863                                 | 2,569,087                                      | 1,000,483              |
| Distribution and transportation of goods  | 8,699,361  | 9,735,458  | 785,549          | 651,936                                   | 147,465  | 506,979                |
| Information   | 1,059,810  | 1,497,863  | 220,121          | * 125,125                                 | * 55,731                                       | * 17,155               |
| Finance, insurance, real estate, and rental and leasing                                   | 1,459,053  | 2,911,876  | 278,410          | 1,328,670                                 | 308,796  | 821,427                |
| Services  | 8,616,343  | 14,176,094   | 2,721,450        | 7,380,851                                 | 2,820,409                                      | 1,912,293              |
| <b>NEW ZEALAND [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>576,189</b>   | <b>937,213</b>   | <b>212,617</b>   | <b>312,307</b>                            | <b>121,077</b>                                 | <b>79,235</b>          |
| Raw materials and energy production   | 10,074   | * 48,245   | * 4,500          | 0   | 0  | * 279                  |
| Goods production  | 169,971  | 272,253  | 80,567           | 99,232                                    | 37,598   | 2,471                  |
| Distribution and transportation of goods  | 151,872  | 239,492  | 44,488           | 37,414                                    | * 20,007                                       | 13,639                 |
| Information   | d  | d  | d                | d   | d  | d                      |
| Finance, insurance, real estate, and rental and leasing                                   | 103,405  | 148,803  | 39,732           | * 86,307                                  | * 14,133                                       | 52,632                 |
| Services  | 99,127   | 173,502  | 32,583           | 71,477                                    | * 45,890                                       | 7,970                  |
| <b>NORWAY</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>1,710,345</b>   | <b>5,371,165</b>   | <b>3,508,989</b> | <b>1,705,415</b>                          | <b>1,456,179</b>                               | <b>58,482</b>          |
| Raw materials and energy production   | 1,097,111  | 4,423,744  | 3,325,376        | * 1,455,604                               | * 1,399,039                                    | * 2,706                |
| Goods production  | 116,773  | 205,372  | 46,441           | * 22,685                                  | * 2,586  | 7,465                  |
| Distribution and transportation of goods  | 278,330  | 351,531  | 64,776           | 200,494                                   | * 41,482                                       | 29,058                 |
| Information   | -2,549   | 4,702  | * 1,136          | 0   | 0  | * 1,086                |
| Finance, insurance, real estate, and rental and leasing                                   | 16,597   | 30,026   | * 2,377          | * 589                                     | * 2  | * 9,113                |
| Services  | 204,084  | 355,791  | 68,884           | 26,044                                    | * 13,070                                       | 9,054                  |
| <b>PANAMA (including Canal Zone) [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>1,177,837</b>   | <b>1,380,909</b>   | <b>125,072</b>   | <b>900,075</b>                            | <b>83,768</b>                                  | <b>255,058</b>         |
| Raw materials and energy production   | 107,116  | 170,973  | 39,117           | * 73,521                                  | 0  | * 15,540               |
| Goods production  | 101,130  | 115,639  | 6,495            | * 10,085                                  | * 4,242  | * 24,802               |
| Distribution and transportation of goods  | 548,479  | 642,200  | 64,779           | 524,873                                   | * 841  | 22,784                 |
| Information   | d  | d  | d                | d   | d  | d                      |
| Finance, insurance, real estate, and rental and leasing                                   | 141,659  | 149,426  | 4,928            | * 125,580                                 | * 54,264                                       | 23,889                 |
| Services  | 285,323  | 302,163  | 9,361            | 166,015                                   | * 24,421                                       | 167,474                |
| <b>PHILIPPINES [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>1,392,004</b>   | <b>1,844,842</b>   | <b>297,709</b>   | <b>1,537,912</b>                          | <b>159,826</b>                                 | <b>294,040</b>         |
| Raw materials and energy production   | 366,693  | 472,596  | 95,771           | * 519,207                                 | 0  | * 103,278              |
| Goods production  | 309,022  | 498,326  | 117,399          | 171,973                                   | 107,022  | 19,709                 |
| Distribution and transportation of goods  | 46,212   | 85,316   | 20,391           | 20,285                                    | * 8,540  | * 755                  |
| Information   | d  | d  | d                | d   | d  | d                      |
| Finance, insurance, real estate, and rental and leasing                                   | 135,041  | 205,267  | 38,408           | 747,676                                   | * 36,220                                       | 34,625                 |
| Services  | 517,584  | 556,809  | 23,936           | 76,064                                    | * 5,338  | 133,295                |
| <b>POLAND [2]</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>1,646,490</b>   | <b>2,354,257</b>   | <b>450,743</b>   | <b>798,512</b>                            | <b>288,718</b>                                 | <b>72,257</b>          |
| Raw materials and energy production   | d  | d  | d                | d   | d  | d                      |
| Goods production  | 866,365  | 1,192,012  | 205,064          | 357,590                                   | 91,361   | 38,588                 |
| Distribution and transportation of goods  | 268,315  | 357,351  | 70,921           | 101,937                                   | * 12,019                                       | 3,928                  |
| Information   | -20,262  | 12,809   | 1,668            | * 3,530                                   | 0  | * 3,463                |
| Finance, insurance, real estate, and rental and leasing                                   | 482,968  | 636,206  | 136,308          | 263,093                                   | * 166,578                                      | 24,566                 |
| Services  | 44,019   | 149,379  | 35,516           | 67,353                                    | * 15,053                                       | * 1,712                |
| <b>PORTUGAL (including Azores) [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>1,594,362</b>   | <b>2,217,826</b>   | <b>392,554</b>   | <b>1,297,216</b>                          | <b>58,575</b>                                  | <b>495,546</b>         |
| Raw materials and energy production   | * -395   | * 430  | * 120            | 0   | 0  | 0                      |
| Goods production  | 161,759  | 390,014  | 104,890          | 194,900                                   | * 14,259                                       | * 5,202                |
| Distribution and transportation of goods  | 106,675  | 188,204  | 54,198           | * 449,596                                 | * 2,215  | * 64,459               |
| Information   | 10,316   | * 36,148   | * 5,640          | * 28,574                                  | * 8,324  | 0                      |
| Finance, insurance, real estate, and rental and leasing                                   | -13,599  | 52,049   | 27,657           | * 124,409                                 | 0  | * 4,289                |
| Services  | 1,329,581  | 1,550,904  | 200,037          | 499,737                                   | * 33,777                                       | 421,596                |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Controlled Foreign Corporations                                |  |                  |   |  | Total Subpart F income |
|---|--|--|------------------|---|--|------------------------|
|   | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                  | Distributions out of earnings and profits | Dividends paid to controlling U.S. corporation |                        |
|   |  | Current earnings and profits before income taxes                               | Income taxes     |   |  |                        |
|   | (8)  | (9)  | (10)             | (11)                                      | (12)   | (13)                   |
| <b>PUERTO RICO</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>1,869,469</b>   | <b>2,756,495</b>   | <b>275,136</b>   | <b>672,101</b>                            | <b>371,857</b>                                 | <b>121,546</b>         |
| Raw materials and energy production   | d  | d  | d                | d   | d  | d                      |
| Goods production  | 1,613,595  | 1,693,229  | 35,076           | 120,146                                   | * 88,722                                       | * 78,980               |
| Distribution and transportation of goods  | 120,444  | 231,998  | 93,350           | 200,882                                   | 194,980  | 9,159                  |
| Information   | d  | d  | d                | d   | d  | d                      |
| Finance, insurance, real estate, and rental and leasing                                   | 31,575   | 233,586  | 60,791           | * 53,941                                  | * 9,928  | * 8,192                |
| Services  | -69,505  | 291,676  | 24,679           | * 149,689                                 | * 59,778                                       | * 22,069               |
| <b>ROMANIA</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>238,619</b>   | <b>395,333</b>   | <b>66,594</b>    | <b>154,228</b>                            | <b>62,826</b>                                  | <b>8,594</b>           |
| Raw materials and energy production   | * 7,431  | * 8,886  | * 1,387          | 0   | 0  | 0                      |
| Goods production  | 90,035   | 184,030  | 32,471           | * 58,488                                  | * 47,108                                       | * 6,304                |
| Distribution and transportation of goods  | 64,822   | 100,452  | 16,073           | * 76,794                                  | * 12,009                                       | * 1,634                |
| Information   | 12,249   | 23,454   | 6,995            | * 2,440                                   | * 1,762  | 0                      |
| Finance, insurance, real estate, and rental and leasing                                   | 43,091   | * 52,569   | * 6,402          | * 1,487                                   | * 569  | * 427                  |
| Services  | 20,991   | 25,942   | 3,265            | * 15,020                                  | * 1,378  | * 229                  |
| <b>RUSSIA [2]</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>982,849</b>   | <b>1,871,142</b>   | <b>499,781</b>   | <b>653,841</b>                            | <b>146,344</b>                                 | <b>* 9,895</b>         |
| Raw materials and energy production   | d  | d  | d                | d   | d  | d                      |
| Goods production  | 32,564   | 318,621  | 96,420           | * 25,483                                  | * 13,954                                       | * 661                  |
| Distribution and transportation of goods  | 523,531  | 795,333  | 209,450          | 439,400                                   | * 7,958  | * [3]                  |
| Information   | 317,896  | 466,591  | 105,477          | 54,749                                    | 11,292   | * 7,496                |
| Finance, insurance, real estate, and rental and leasing                                   | 22,416   | 86,438   | 18,942           | * 542                                     | 0  | * 1,696                |
| Services  | 79,471   | 168,380  | 59,326           | * 20,529                                  | 0  | * 42                   |
| <b>SINGAPORE [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>8,816,649</b>   | <b>10,338,399</b>  | <b>678,858</b>   | <b>3,239,339</b>                          | <b>1,167,118</b>                               | <b>849,515</b>         |
| Raw materials and energy production   | 44,062   | 60,347   | 14,882           | * 453                                     | 0  | * 4,440                |
| Goods production  | 2,967,677  | 3,399,157  | 211,411          | 1,155,113                                 | 108,305  | 331,679                |
| Distribution and transportation of goods  | 1,614,647  | 1,881,198  | 168,722          | 195,320                                   | 112,273  | 270,129                |
| Information   | 47,026   | 120,872  | 5,652            | * 25,062                                  | * 14,327                                       | * 7,114                |
| Finance, insurance, real estate, and rental and leasing                                   | 985,013  | 1,149,280  | 130,789          | 1,041,238                                 | 848,277  | 53,159                 |
| Services  | 3,158,869  | 3,727,545  | 147,402          | 822,154                                   | 83,936   | 182,993                |
| <b>SLOVAKIA</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>142,467</b>   | <b>228,591</b>   | <b>34,207</b>    | <b>39,745</b>                             | <b>* 17,597</b>                                | <b>* 6,403</b>         |
| Raw materials and energy production   | d  | d  | d                | d   | d  | d                      |
| Goods production  | 41,327   | 88,337   | 13,095           | * 18,772                                  | * 12,236                                       | * 274                  |
| Distribution and transportation of goods  | 48,617   | 58,444   | 6,402            | * 8,354                                   | * 4,599  | * 304                  |
| Information   | d  | d  | d                | d   | d  | d                      |
| Finance, insurance, real estate, and rental and leasing                                   | 41,396   | 55,994   | 10,277           | * 2,326                                   | * 762  | * 5,641                |
| Services  | 7,545  | 22,025   | 4,239            | * 10,294                                  | 0  | 0                      |
| <b>SOUTH AFRICA</b>   |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>1,497,597</b>   | <b>2,173,993</b>   | <b>534,204</b>   | <b>797,660</b>                            | <b>306,343</b>                                 | <b>132,926</b>         |
| Raw materials and energy production   | * 60,349   | * 63,489   | * 210            | 0   | 0  | * 8                    |
| Goods production  | 737,694  | 1,120,900  | 316,093          | 399,146                                   | 249,648  | 100,021                |
| Distribution and transportation of goods  | 106,483  | 198,053  | 56,951           | 37,836                                    | * 20,013                                       | 4,697                  |
| Information   | 16,927   | 32,410   | 10,828           | * 7,571                                   | * 1,582  | 0                      |
| Finance, insurance, real estate, and rental and leasing                                   | 347,876  | 442,881  | 87,737           | 221,205                                   | * 5,661  | * 8,896                |
| Services  | 228,268  | 316,259  | 62,386           | 131,903                                   | 29,439   | 19,305                 |
| <b>SOUTH KOREA [2]</b>  |  |  |                  |   |  |                        |
| <b>All industries</b>   | <b>6,390,624</b>   | <b>8,470,298</b>   | <b>1,617,035</b> | <b>1,887,908</b>                          | <b>977,938</b>                                 | <b>626,465</b>         |
| Raw materials and energy production   | d  | d  | d                | d   | d  | d                      |
| Goods production  | 3,121,714  | 4,123,667  | 841,334          | 1,217,052                                 | 556,069  | 176,002                |
| Distribution and transportation of goods  | 533,933  | 883,520  | 231,568          | 336,233                                   | 277,413  | 49,187                 |
| Information   | 120,649  | 209,892  | 77,475           | * 24,718                                  | * 23,390                                       | * 9,980                |
| Finance, insurance, real estate, and rental and leasing                                   | 2,419,198  | 2,879,254  | 359,700          | 236,501                                   | * 89,107                                       | 346,072                |
| Services  | 151,079  | 319,812  | 96,856           | 70,993                                    | 31,958   | 44,490                 |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Controlled Foreign Corporations                                |  |                   |   |  | Total Subpart F income |
|---|--|--|-------------------|---|--|------------------------|
|   | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                   | Distributions out of earnings and profits | Dividends paid to controlling U.S. corporation |                        |
|   |  | Current earnings and profits before income taxes                               | Income taxes      |   |  |                        |
|   | (8)  | (9)  | (10)              | (11)                                      | (12)   | (13)                   |
| <b>SPAIN (including Canary Isles) [2]</b>   |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>8,395,103</b>   | <b>12,267,631</b>  | <b>2,432,325</b>  | <b>4,564,238</b>                          | <b>3,219,268</b>                               | <b>521,740</b>         |
| Raw materials and energy production   | 24,102   | 32,289   | 2,344             | * 12,357                                  | 0  | 0                      |
| Goods production  | 3,251,515  | 4,782,301  | 667,404           | 991,066                                   | 248,842  | 95,220                 |
| Distribution and transportation of goods  | 2,780,605  | 3,727,243  | 839,656           | 2,565,934                                 | 2,350,545                                      | 287,115                |
| Information   | 154,196  | 321,721  | 59,956            | * 234,426                                 | * 82,505                                       | * 1,295                |
| Finance, insurance, real estate, and rental and leasing                                   | 731,367  | 1,012,645  | 249,441           | 113,122                                   | * 5,481  | 79,345                 |
| Services  | 1,453,693  | 2,391,413  | 613,516           | 647,333                                   | 531,895  | 58,766                 |
| <b>SWEDEN [2]</b>   |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>4,011,747</b>   | <b>5,517,235</b>   | <b>521,789</b>    | <b>3,660,956</b>                          | <b>146,830</b>                                 | <b>163,250</b>         |
| Raw materials and energy production   | * -53  | * 563  | * 84              | 0   | 0  | 0                      |
| Goods production  | 423,828  | 998,612  | 318,831           | 1,493,317                                 | 62,616   | 22,337                 |
| Distribution and transportation of goods  | 314,252  | 393,923  | 59,997            | 68,760                                    | * 22,125                                       | 16,568                 |
| Information   | 20,522   | 65,806   | 17,003            | * 6,733                                   | * 495  | * 14,108               |
| Finance, insurance, real estate, and rental and leasing                                   | 704,045  | 782,143  | 63,689            | 48,137                                    | * 10,805                                       | 20,272                 |
| Services  | 2,547,981  | 3,272,628  | 61,815            | 2,044,009                                 | * 50,790                                       | 89,948                 |
| <b>SWITZERLAND [2]</b>  |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>30,314,121</b>  | <b>33,978,467</b>  | <b>2,247,321</b>  | <b>8,428,623</b>                          | <b>834,622</b>                                 | <b>3,998,804</b>       |
| Raw materials and energy production   | * 333,344  | * 352,781  | * 13,704          | * 251,145                                 | 0  | * 64,717               |
| Goods production  | 14,172,680   | 15,767,116   | 1,038,212         | 3,276,866                                 | 72,428   | 1,522,689              |
| Distribution and transportation of goods  | 5,351,059  | 6,170,657  | 476,875           | 1,470,722                                 | 146,606  | 1,036,878              |
| Information   | 1,244,748  | 1,360,180  | 56,786            | 203,481                                   | * 19,260                                       | 45,485                 |
| Finance, insurance, real estate, and rental and leasing                                   | 851,133  | 1,105,427  | 132,665           | 380,737                                   | * 6,461  | 353,199                |
| Services  | 8,366,398  | 9,222,305  | 529,079           | 2,845,672                                 | 589,866  | 975,837                |
| <b>TAIWAN [2]</b>   |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>2,238,599</b>   | <b>3,217,556</b>   | <b>567,442</b>    | <b>453,657</b>                            | <b>209,293</b>                                 | <b>67,123</b>          |
| Raw materials and energy production   | d  | d  | d                 | d   | d  | d                      |
| Goods production  | 1,147,225  | 1,630,202  | 302,114           | 217,034                                   | 125,206  | 53,367                 |
| Distribution and transportation of goods  | 98,357   | 214,545  | 61,988            | 71,676                                    | 40,897   | * 3,570                |
| Information   | -2,086   | * 4,257  | * 1,251           | * 2,302                                   | * 2,298  | * 208                  |
| Finance, insurance, real estate, and rental and leasing                                   | 767,126  | 1,009,959  | 118,305           | 79,320                                    | * 28,533                                       | * 1,985                |
| Services  | 227,780  | 357,695  | 83,778            | 83,326                                    | * 12,358                                       | * 7,994                |
| <b>THAILAND</b>   |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>1,705,600</b>   | <b>2,372,653</b>   | <b>451,221</b>    | <b>457,171</b>                            | <b>232,943</b>                                 | <b>151,271</b>         |
| Raw materials and energy production   | 216,994  | 323,430  | * 104,128         | * 162,623                                 | * 86,539                                       | * 722                  |
| Goods production  | 1,097,184  | 1,346,510  | 172,481           | 221,551                                   | 100,919  | 133,354                |
| Distribution and transportation of goods  | 120,512  | 250,301  | 70,084            | 28,215                                    | 21,607   | 1,633                  |
| Information   | -3,304   | * 8,162  | * 2,240           | * 886                                     | * 886  | * 921                  |
| Finance, insurance, real estate, and rental and leasing                                   | 112,868  | 226,769  | 58,931            | * 11,345                                  | * 2,571  | 13,443                 |
| Services  | 161,345  | 217,482  | 43,357            | 32,551                                    | * 20,422                                       | * 1,199                |
| <b>TURKEY [2]</b>   |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>1,052,183</b>   | <b>1,571,250</b>   | <b>320,685</b>    | <b>661,663</b>                            | <b>255,678</b>                                 | <b>95,265</b>          |
| Raw materials and energy production   | d  | d  | d                 | d   | d  | d                      |
| Goods production  | 833,074  | 1,188,218  | 250,667           | 462,221                                   | * 136,222                                      | * 52,354               |
| Distribution and transportation of goods  | 95,439   | 170,272  | 31,885            | * 68,457                                  | * 900  | * 5,854                |
| Information   | -1,911   | * 1,544  | * 279             | * 5,877                                   | * 4,823  | * 85                   |
| Finance, insurance, real estate, and rental and leasing                                   | 48,254   | 81,438   | * 21,250          | * 112,529                                 | * 112,380                                      | * 565                  |
| Services  | 75,155   | 126,995  | 16,126            | 12,579                                    | * 1,352  | * 36,406               |
| <b>UNITED KINGDOM AND NORTHERN IRELAND (including Gibraltar) [2]</b>                      |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>36,089,062</b>  | <b>67,497,821</b>  | <b>11,139,075</b> | <b>16,902,576</b>                         | <b>3,509,869</b>                               | <b>8,243,708</b>       |
| Raw materials and energy production   | 3,081,139  | 4,701,592  | 1,374,969         | 1,254,926                                 | * 1,018  | 325,724                |
| Goods production  | 935,009  | 7,177,503  | 1,303,867         | 2,035,540                                 | 557,609  | 873,795                |
| Distribution and transportation of goods  | 2,994,727  | 4,901,173  | 1,164,111         | 1,526,274                                 | 446,043  | 311,773                |
| Information   | -545,033   | 4,821,467  | 417,219           | 364,115                                   | 99,731   | 357,309                |
| Finance, insurance, real estate, and rental and leasing                                   | 21,308,225   | 28,553,407   | 4,777,180         | 5,638,043                                 | 965,592  | 3,089,818              |
| Services  | 8,337,870  | 17,339,582   | 2,101,635         | 6,082,028                                 | 1,439,876                                      | 3,285,288              |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued**

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

| Selected country of incorporation and industrial sector of Controlled Foreign Corporation | Controlled Foreign Corporations                                |  |                   |   |  | Total Subpart F income |
|---|--|--|-------------------|---|--|------------------------|
|   | Current earnings and profits (less deficit) after income taxes | Foreign corporations with current earnings and profits (+) before income taxes |                   | Distributions out of earnings and profits | Dividends paid to controlling U.S. corporation |                        |
|   |  | Current earnings and profits before income taxes                               | Income taxes      |   |  |                        |
|   | (8)  | (9)  | (10)              | (11)                                      | (12)   | (13)                   |
| <b>VENEZUELA [2]</b>  |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>1,936,023</b>   | <b>2,958,459</b>   | <b>890,272</b>    | <b>1,188,468</b>                          | <b>233,301</b>                                 | <b>67,585</b>          |
| Raw materials and energy production   | 246,199  | 364,330  | 70,023            | * 163,644                                 | * 965  | 31,412                 |
| Goods production  | 1,230,514  | 1,948,183  | 677,772           | 973,122                                   | 189,320  | 7,129                  |
| Distribution and transportation of goods  | 238,537  | 328,121  | 85,059            | * 29,533                                  | * 21,735                                       | * 2,757                |
| Information   | d  | d  | d                 | d   | d  | 0                      |
| Finance, insurance, real estate, and rental and leasing                                   | 171,151  | 203,979  | 31,244            | * 1,107                                   | * 800  | * 12,140               |
| Services  | 36,787   | 88,737   | 19,771            | * 21,062                                  | * 20,480                                       | * 8,116                |
| <b>EUROPEAN UNION, TOTAL [2]</b>  |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>159,298,435</b>   | <b>239,703,520</b>   | <b>35,306,914</b> | <b>76,903,675</b>                         | <b>20,881,914</b>                              | <b>27,668,974</b>      |
| Raw materials and energy production   | 3,731,670  | 6,128,383  | 1,689,483         | 1,855,263                                 | * 251,180                                      | 380,603                |
| Goods production  | 41,832,348   | 62,747,800   | 9,301,572         | 21,633,712                                | 7,391,418                                      | 4,023,044              |
| Distribution and transportation of goods  | 28,982,947   | 38,369,514   | 6,306,088         | 13,346,143                                | 4,171,559                                      | 4,193,623              |
| Information   | 2,778,890  | 9,965,390  | 1,020,542         | 1,132,142                                 | 364,589  | 547,924                |
| Finance, insurance, real estate, and rental and leasing                                   | 34,906,850   | 50,689,126   | 7,368,031         | 13,869,096                                | 1,718,535                                      | 9,562,368              |
| Services  | 47,093,614   | 71,780,873   | 9,617,883         | 25,061,856                                | 6,983,999                                      | 8,961,395              |
| <b>OPEC COUNTRIES, TOTAL [2]</b>  |  |  |                   |   |  |                        |
| <b>All industries</b>   | <b>6,194,675</b>   | <b>9,909,395</b>   | <b>3,333,194</b>  | <b>2,763,161</b>                          | <b>554,691</b>                                 | <b>162,115</b>         |
| Raw materials and energy production   | 3,468,414  | 4,559,330  | 971,894           | 1,180,698                                 | 214,023  | 43,232                 |
| Goods production  | 1,549,361  | 2,597,010  | 933,760           | 1,220,977                                 | 211,421  | 20,717                 |
| Distribution and transportation of goods  | 524,886  | 705,533  | 131,461           | 183,788                                   | 36,459   | 59,051                 |
| Information   | 15,150   | 37,939   | 12,023            | 0   | 0  | * 7,836                |
| Finance, insurance, real estate, and rental and leasing                                   | 463,951  | 549,019  | 69,797            | 83,836                                    | * 42,410                                       | 16,575                 |
| Services  | 175,100  | 1,460,564  | 1,214,258         | 93,862                                    | 50,378   | 14,705                 |

d—Not shown to avoid disclosure of information on specific corporations. However, the data are included in the appropriate totals.

\* Data should be used with caution because of the small number of returns on which they are based.

[1] Number of returns is not additive because some U.S. corporations had Controlled Foreign Corporations in more than one industrial sector. The industrial activity of the parent corporation filing the return often differs from that of the Controlled Foreign Corporations.

[2] Includes "Nature of business not allocable," not shown separately.

[3] Value is less than \$500.

NOTE: Detail may not add to totals because of rounding and because data are shown for selected countries only.

# Controlled Foreign Corporations, 2006

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**Table 4. Controlled Foreign Corporations and Their Foreign Disregarded Entities: Number, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Country of Incorporation, Tax Year 2006**

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

| Selected country of incorporation of Controlled Foreign Corporation and Foreign Disregarded Entity | Number of foreign entities | End-of-year total assets | Current earnings and profits (less deficit) after taxes |
|--|----------------------------|--------------------------|---|
|  | (1)                        | (2)                      | (3)   |
| <b>Austria: CFCs</b>   | <b>541</b>                 | <b>25,466,744</b>        | <b>2,341,823</b>  |
| All FDEs   | 182                        | 14,890,561               | 1,356,440   |
| Austria  | 16                         | 757,464                  | 33,339  |
| Other countries  | 166                        | 14,133,098               | 1,323,101   |
| <b>Bahamas: CFCs</b>   | <b>385</b>                 | <b>85,501,925</b>        | <b>6,453,951</b>  |
| All FDEs   | 121                        | 13,754,088               | 2,543,459   |
| Bahamas  | 55                         | 7,293,589                | 2,261,700   |
| Other countries  | 66                         | 6,460,498                | 281,759   |
| <b>Barbados: CFCs</b>  | <b>194</b>                 | <b>11,513,230</b>        | <b>960,005</b>  |
| All FDEs   | 63                         | 4,271,457                | 424,206   |
| Barbados   | 4                          | 672,363                  | 118,594   |
| Other countries  | 59                         | 3,599,094                | 305,612   |
| <b>Belgium: CFCs</b>   | <b>1,189</b>               | <b>76,790,311</b>        | <b>1,889,633</b>  |
| All FDEs   | 42                         | 6,444,064                | 315,711   |
| Belgium  | 21                         | 4,176,485                | 106,977   |
| Other countries  | 21                         | 2,267,579                | 208,734   |
| <b>Bermuda: CFCs</b>   | <b>978</b>                 | <b>729,332,704</b>       | <b>42,742,711</b>                                       |
| All FDEs   | 1,182                      | 455,705,635              | 25,110,192  |
| Bermuda  | 145                        | 64,871,067               | 10,789,272  |
| Other countries  | 1,037                      | 390,834,569              | 14,320,920  |
| <b>British Virgin Islands: CFCs</b>  | <b>424</b>                 | <b>45,401,183</b>        | <b>5,514,914</b>  |
| All FDEs   | 210                        | 18,961,146               | 1,196,677   |
| British Virgin Islands   | 46                         | 2,367,172                | 19,390  |
| Other countries  | 164                        | 16,593,974               | 1,177,287   |
| <b>Canada: CFCs</b>  | <b>6,935</b>               | <b>948,892,794</b>       | <b>31,149,426</b>                                       |
| All FDEs   | 386                        | 169,262,758              | 5,386,264   |
| Canada   | 190                        | 128,284,150              | 4,892,266   |
| Other countries  | 196                        | 40,978,608               | 493,999   |
| <b>Cayman Islands: CFCs</b>  | <b>1,581</b>               | <b>646,609,465</b>       | <b>20,948,351</b>                                       |
| All FDEs   | 1,081                      | 195,195,842              | 7,106,979   |
| Cayman Islands   | 221                        | 80,236,948               | 2,216,272   |
| Other countries  | 860                        | 114,958,894              | 4,890,707   |
| <b>China: CFCs</b>   | <b>3,426</b>               | <b>65,480,943</b>        | <b>5,332,802</b>  |
| All FDEs   | 54                         | 7,010,271                | 1,527,249   |
| China  | 32                         | 5,584,810                | 1,195,815   |
| Other countries  | 22                         | 1,425,461                | 331,435   |
| <b>Cyprus: CFCs</b>  | <b>88</b>                  | <b>3,807,464</b>         | <b>23,888</b>   |
| All FDEs   | 80                         | 1,914,040                | 80,859  |
| Cyprus   | 0                          | 0                        | 0   |
| Other countries  | 80                         | 1,914,040                | 80,859  |
| <b>Denmark: CFCs</b>   | <b>675</b>                 | <b>34,207,215</b>        | <b>1,068,023</b>  |
| All FDEs   | 77                         | 5,176,087                | 154,678   |
| Denmark  | 29                         | 1,703,979                | 91,074  |
| Other countries  | 48                         | 3,472,108                | 63,604  |
| <b>France (including Corsica, Guadeloupe, Martinique, and Reunion): CFCs</b>                       | <b>3,381</b>               | <b>263,801,593</b>       | <b>7,625,385</b>  |
| All FDEs   | 430                        | 54,841,883               | 886,251   |
| France (including Corsica, Guadeloupe, Martinique, and Reunion)                                    | 360                        | 47,597,963               | 687,784   |
| Other countries  | 70                         | 7,243,920                | 198,467   |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 4. Controlled Foreign Corporations and Their Foreign Disregarded Entities: Number, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Country of Incorporation, Tax Year 2006—Continued**

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

| Selected country of incorporation of Controlled Foreign Corporation and Foreign Disregarded Entity | Number of foreign entities | End-of-year total assets | Current earnings and profits (less deficit) after taxes |
|--|----------------------------|--------------------------|---|
|  | (1)                        | (2)                      | (3)   |
| <b>Hong Kong: CFCs</b>   | <b>1,978</b>               | <b>119,123,338</b>       | <b>8,700,804</b>  |
| All FDEs   | 233                        | 33,174,653               | 1,383,162   |
| Hong Kong  | 71                         | 5,024,139                | 304,982   |
| Other countries  | 162                        | 28,150,514               | 1,078,180   |
| <b>Ireland: CFCs</b>   | <b>1,140</b>               | <b>513,394,734</b>       | <b>31,692,405</b>                                       |
| All FDEs   | 790                        | 132,289,854              | 11,307,630  |
| Ireland  | 227                        | 90,129,108               | 9,577,965   |
| Other countries  | 563                        | 42,160,746               | 1,729,665   |
| <b>Israel: CFCs</b>  | <b>803</b>                 | <b>29,063,753</b>        | <b>1,050,891</b>  |
| All FDEs   | 27                         | 3,604,381                | 30,768  |
| Israel   | 11                         | 136,057                  | -72,501   |
| Other countries  | 16                         | 3,468,324                | 103,269   |
| <b>Italy: CFCs</b>   | <b>1,699</b>               | <b>93,511,546</b>        | <b>4,440,070</b>  |
| All FDEs   | 75                         | 16,240,631               | 761,855   |
| Italy  | 49                         | 9,832,344                | 395,650   |
| Other countries  | 26                         | 6,408,287                | 366,204   |
| <b>Jersey: CFCs</b>  | <b>97</b>                  | <b>43,477,664</b>        | <b>1,302,867</b>  |
| All FDEs   | 47                         | 3,840,113                | -25,430   |
| Jersey   | 7                          | 222,358                  | -13,079   |
| Other countries  | 40                         | 3,617,755                | -12,352   |
| <b>Luxembourg: CFCs</b>  | <b>515</b>                 | <b>551,577,959</b>       | <b>14,805,473</b>                                       |
| All FDEs   | 1,057                      | 311,104,080              | 4,137,994   |
| Luxembourg   | 131                        | 66,737,580               | 246,770   |
| Other countries  | 926                        | 244,366,500              | 3,891,223   |
| <b>Mauritius: CFCs</b>   | <b>286</b>                 | <b>17,715,305</b>        | <b>-125,541</b>   |
| All FDEs   | 54                         | 4,793,662                | 541,728   |
| Mauritius  | 12                         | 1,312,246                | 452,542   |
| Other countries  | 42                         | 3,481,415                | 89,187  |
| <b>Netherlands: CFCs</b>   | <b>3,123</b>               | <b>756,366,608</b>       | <b>30,416,124</b>                                       |
| All FDEs   | 2,733                      | 586,627,699              | 14,457,882  |
| Netherlands  | 646                        | 162,105,109              | 2,149,613   |
| Other countries  | 2,086                      | 424,522,590              | 12,308,269  |
| <b>Singapore: CFCs</b>   | <b>1,681</b>               | <b>122,562,803</b>       | <b>8,816,649</b>  |
| All FDEs   | 168                        | 28,960,049               | 3,481,727   |
| Singapore  | 31                         | 6,771,247                | 2,762,073   |
| Other countries  | 137                        | 22,188,802               | 719,654   |
| <b>Spain (including Canary Isles): CFCs</b>  | <b>1,599</b>               | <b>159,226,761</b>       | <b>8,395,103</b>  |
| All FDEs   | 279                        | 36,431,790               | 1,695,107   |
| Spain (including Canary Isles)   | 44                         | 8,515,821                | 329,664   |
| Other countries  | 235                        | 27,915,969               | 1,365,443   |
| <b>Sweden: CFCs</b>  | <b>1,061</b>               | <b>88,946,389</b>        | <b>4,011,747</b>  |
| All FDEs   | 198                        | 6,474,936                | 275,786   |
| Sweden   | 144                        | 4,057,905                | 111,368   |
| Other countries  | 54                         | 2,417,031                | 164,418   |
| <b>Switzerland: CFCs</b>   | <b>1,410</b>               | <b>336,084,352</b>       | <b>30,314,121</b>                                       |
| All FDEs   | 802                        | 118,617,715              | 7,432,494   |
| Switzerland  | 110                        | 39,758,042               | 2,701,738   |
| Other countries  | 692                        | 78,859,673               | 4,730,756   |
| <b>United Kingdom and Northern Ireland (including Gibraltar): CFCs</b>                             | <b>8,688</b>               | <b>3,420,194,083</b>     | <b>36,089,062</b>                                       |
| All FDEs   | 1,740                      | 1,110,689,486            | 7,497,069   |
| United Kingdom and Northern Ireland (including Gibraltar)  | 1,168                      | 966,359,499              | 5,201,203   |
| Other countries  | 572                        | 144,329,988              | 2,295,867   |

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

# Controlled Foreign Corporations, 2006

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**Table 5. Controlled Foreign Corporations and Their Foreign Disregarded Entities: Number, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Industrial Sector, Tax Year 2006**

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

| Selected industrial sector of Controlled Foreign Corporation and Foreign Disregarded Entity | Number of Foreign Entities | End-of-year total assets | Current earnings and profits (less deficit) after taxes |
|---|----------------------------|--------------------------|---|
|   | (1)                        | (2)                      | (3)   |
| <b>All industries: CFCs</b>   | <b>78,249</b>              | <b>11,666,004,281</b>    | <b>410,911,841</b>                                      |
| All industries: FDEs  | 13,755                     | 3,574,647,024            | 107,192,531   |
| Raw materials and energy production   | 658                        | 137,747,618              | 12,942,084  |
| Goods production  | 2,933                      | 588,143,685              | 31,500,841  |
| Distribution and transportation of goods  | 2,466                      | 192,258,008              | 13,516,884  |
| Information   | 794                        | 296,280,812              | 12,837,212  |
| Finance, insurance, real estate, and rental and leasing                                     | 2,214                      | 1,268,219,785            | 10,285,337  |
| Services  | 4,525                      | 1,078,116,218            | 26,010,065  |
| Nature of business not allocable  | 166                        | 13,880,898               | 100,108   |
| <b>Raw materials and energy production: CFCs</b>  | <b>2,502</b>               | <b>406,666,989</b>       | <b>42,701,113</b>                                       |
| All industries: FDEs  | 610                        | 143,065,087              | 13,628,758  |
| Raw materials and energy production   | 467                        | 115,997,886              | 11,012,566  |
| Goods production  | 18                         | 4,999,493                | 2,129,837   |
| Distribution and transportation of goods  | d                          | d                        | d   |
| Information   | 0                          | 0                        | 0   |
| Finance, insurance, real estate, and rental and leasing                                     | 35                         | 6,160,552                | 180,222   |
| Services  | 62                         | 14,597,695               | 282,346   |
| Nature of business not allocable  | d                          | d                        | d   |
| <b>Goods production: CFCs</b>   | <b>19,917</b>              | <b>1,707,725,994</b>     | <b>117,066,073</b>                                      |
| All industries: FDEs  | 3,170                      | 547,878,996              | 27,302,963  |
| Raw materials and energy production   | 16                         | 1,720,224                | 81,109  |
| Goods production  | 1,394                      | 189,845,546              | 16,105,243  |
| Distribution and transportation of goods  | 645                        | 49,241,028               | 4,825,472   |
| Information   | 29                         | 2,295,173                | -175,943  |
| Finance, insurance, real estate, and rental and leasing                                     | 208                        | 72,778,145               | 1,544,854   |
| Services  | 827                        | 228,095,708              | 4,924,920   |
| Nature of business not allocable  | 52                         | 3,903,173                | -2,692  |
| <b>Distribution and transportation of goods: CFCs</b>                                       | <b>16,191</b>              | <b>843,280,710</b>       | <b>54,867,210</b>                                       |
| All industries: FDEs  | 1,933                      | 389,838,813              | 17,536,820  |
| Raw materials and energy production   | 22                         | 2,928,767                | 138,027   |
| Goods production  | 391                        | 128,974,571              | 6,371,808   |
| Distribution and transportation of goods  | 923                        | 81,925,588               | 4,555,330   |
| Information   | 20                         | 464,844                  | 65,596  |
| Finance, insurance, real estate, and rental and leasing                                     | 150                        | 74,151,924               | 2,545,642   |
| Services  | 389                        | 101,349,410              | 3,859,351   |
| Nature of business not allocable  | 37                         | 43,708                   | 1,065   |
| <b>Information: CFCs</b>  | <b>4,551</b>               | <b>229,525,818</b>       | <b>6,784,952</b>  |
| All industries: FDEs  | 479                        | 281,030,752              | 2,129,091   |
| Raw materials and energy production   | 0                          | 0                        | 0   |
| Goods production  | 0                          | 0                        | 0   |
| Distribution and transportation of goods  | d                          | d                        | d   |
| Information   | 352                        | 242,324,504              | 3,184,802   |
| Finance, insurance, real estate, and rental and leasing                                     | 12                         | 7,682,860                | -201,450  |
| Services  | 110                        | 29,940,417               | -846,229  |
| Nature of business not allocable  | d                          | d                        | d   |
| <b>Finance, insurance, real estate, and rental and leasing: CFCs</b>                        | <b>9,828</b>               | <b>5,681,910,503</b>     | <b>78,023,952</b>                                       |
| All industries: FDEs  | 1,582                      | 989,565,235              | 4,118,806   |
| Raw materials and energy production   | 17                         | 2,267,414                | 105,410   |
| Goods production  | 60                         | 6,417,799                | 12,820  |
| Distribution and transportation of goods  | 39                         | 992,007                  | 16,928  |
| Information   | 23                         | 995,856                  | 162,472   |
| Finance, insurance, real estate, and rental and leasing                                     | 1,189                      | 846,373,638              | 4,450,599   |
| Services  | 242                        | 132,263,161              | -630,271  |
| Nature of business not allocable  | 12                         | 255,360                  | 849   |

Footnotes at end of table.

# Controlled Foreign Corporations, 2006

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**Table 5. Controlled Foreign Corporations and Their Foreign Disregarded Entities: Number, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Industrial Sector, Tax Year 2006—Continued**

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

| Selected industrial sector of Controlled Foreign Corporation and Foreign Disregarded Entity | Number of Foreign Entities | End-of-year total assets | Current earnings and profits (less deficit) after taxes |
|---|----------------------------|--------------------------|---|
|   | (1)                        | (2)                      | (3)   |
| <b>Services: CFCs</b>   | <b>25,039</b>              | <b>2,796,140,314</b>     | <b>111,507,514</b>                                      |
| All industries: FDEs  | 5,968                      | 1,219,754,029            | 42,155,952  |
| Raw materials and energy production   | 136                        | 14,833,327               | 1,604,972   |
| Goods production  | 1,067                      | 257,654,672              | 6,937,612   |
| Distribution and transportation of goods  | 829                        | 58,832,836               | 4,100,596   |
| Information   | 369                        | 50,193,800               | 9,602,801   |
| Finance, insurance, real estate, and rental and leasing                                     | 617                        | 258,498,612              | 1,594,346   |
| Services  | 2,889                      | 571,188,007              | 18,214,753  |
| Nature of business not allocable  | 61                         | 8,552,775                | 100,873   |
| <b>Nature of business not allocable: CFCs</b>   | <b>222</b>                 | <b>753,954</b>           | <b>-38,974</b>  |
| All industries: FDEs  | 12                         | 3,484,579                | 123,723   |
| Raw materials and energy production   | d                          | d                        | d   |
| Goods production  | d                          | d                        | d   |
| Distribution and transportation of goods  | d                          | d                        | d   |
| Information   | d                          | d                        | d   |
| Finance, insurance, real estate, and rental and leasing                                     | d                          | d                        | d   |
| Services  | d                          | d                        | d   |
| Nature of business not allocable  | d                          | d                        | d   |

d—Not shown to avoid disclosure of information on specific corporations. However, the data are included in the appropriate totals.

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

# SOI Sampling Methodology and Data Limitations

**T**his article discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports. More technical information is available, on request, by writing to the Director, Statistics of Income Division RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

## Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on such criteria as: industry, presence or absence of a tax form or schedule, and various income factors or other measures of economic size (such as total assets, total receipts, size of gift, and size of estate). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years—3 for corporations because of the incidence of fiscal (noncalendar) year reporting and extensions of filing time. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means, in practice, that both the population and the sample size can differ from those planned. However, these factors do not compromise the validity of the estimates.

The probability of a return's selection depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated pro-

cessing costs or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN), which is either the Social Security number (SSN) or the Employer Identification Number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise, it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TINs designated from one year's sample are, for the most part, selected for the next year's, so that a very high proportion of the returns selected in the current year's sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

## Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. "Weights" are computed by dividing the count of returns filed for a given stratum by the number of population sample returns for that same stratum. These weights are usually adjusted for unavailable returns, outliers, or trimming weights. Weights are used to adjust for the various sampling rates used, relative to the population—the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "poststrata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these poststrata using additional population counts. The data on each sample return in a stratum are then multiplied by that weight. To produce the tabulated estimates, the

**Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.**

## SOI Sampling Methodology and Data Limitations

**In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.**

weighted data are summed to produce the published statistical totals.

### Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from

the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports, the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in percentage form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its CV to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 2 percent, then the following arithmetic procedure would be followed to construct a 68-percent confidence interval estimate:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ \times 0.02 & \text{(coefficient of variation)} \\ = 3,000 & \text{(standard error of estimate)} \end{array}$$

then:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ + \text{ or } - 3,000 & \text{(standard error)} \\ = \{147,000, 153,000\} & \text{(68-percent confidence interval).} \end{array}$$

Based on these data, the interval estimate is from 147 to 153 thousand returns. This means that the average estimate of the number of returns lies within an interval computed in this way. Such an estimate would be correct for approximately two-thirds of all possible

samples similarly selected. To obtain this interval estimate with 95-percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study may be obtained, on request, by writing to the Director, Statistics of Income Division, at the address given above.

### Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors and inconsistencies, processing errors, and the effects of any early cutoff of sampling. Additional information on nonsampling error as it applies to individual and corporation income tax returns is presented in the separate SOI reports on these returns.

In transcribing and tabulating the information from returns or forms selected for the sample, steps are taken to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during the statistical abstracting and "editing" process that takes place in IRS submission processing centers. This is done to improve data consistency from return to return and to achieve definitions of the data items more in keeping with the needs of major users. In some cases, not all of the data are available from the tax return as originally filed. Sometimes, the missing data can be obtained by the Statistics of Income Division in Washington, DC, through field followup. More often, though, they are obtained through manual or computerized imputation. For this purpose, other information in the return or in accompanying schedules may be sufficient to serve as the basis for making an estimate. Prior-year data for the same taxpayer can be used for this same purpose, or comparable data from business reference books may be substituted.

Data abstracted or "edited" from returns for statistical use are subjected to a number of validation checks, including systematic verifications of a sampling of the work of each tax examiner involved in the SOI process. Data reported on sampled returns

## SOI Sampling Methodology and Data Limitations

and previously transcribed as part of processing for the IRS Master Files are subject to validation as part of the administrative process before SOI processing begins. However, during the administrative process, it is only practical to transcribe corrections to errors that have a direct bearing on the tax reported or the refund claimed. Therefore, during the SOI process, checks must also be made to correct any errors or inconsistencies left in the administrative data before the data can be accepted for the statistics.

The Statistics of Income program includes many more tax return items than are transcribed and perfected for IRS tax administration needs, especially for items reported in tax return schedules in support of the various summary totals reported on the return. Therefore, checks must also be designed to validate these additional data items and to assure that they are consistent with other data entries.

Most of the data validation checks made during the SOI process take the form of computerized tests of each record. In addition to verifying that internal consistency and proper balance and relationships among the tax return items and statistical classifications are maintained, this process is intended to check on consistency with tax law provisions, acceptable reporting practices, and generally accepted accounting principles. Most testing occurs during the data abstracting and editing operation, while the tax return source document is still on hand, although some testing for certain programs occurs later on. Records failing the tests are subjected to further review and correction.

Finally, before publication, the statistics are reviewed for accuracy and reasonableness in light of the tax law provisions, taxpayer reporting variations and other limitations, tolerances and statistical techniques allowed or employed in data processing and estimating, economic conditions, and comparability with other statistical series. However, these controls do not completely eliminate the possibility of error. When discovered, errors in *Bulletin* tables are corrected, through a published errata.

### Table Conventions

Published estimates subject to excessive sampling variability are identified for most of the statistics by means of an asterisk (\*) presented alongside the estimate or in place of an estimate. Presence of an asterisk means that the sampling rate was less than 100 percent of the population and that there were fewer than 10 sample observations available for estimation purposes. This method produces a rough indication of excessive sampling variability. However, the results will differ somewhat from more precise indicators of excessive sampling variability based on the standard statistical formula. For some of the statistics based on samples, asterisking was not possible because of resource and other constraints. Users should keep this limitation in mind when using these data.

A zero, in place of a frequency or an amount, in any given table cell presenting data based on an SOI sample, indicates either that (1) there were no returns in the population with the particular characteristic, or (2) because of its rarity, instances of the characteristic were not present among the sampled returns. However, for statistics based on returns selected for the sample at the 100-percent rate, a zero indicates a presumption of no returns with the particular characteristic in the population.

In addition to sampling variability, Statistics of Income is required to prevent disclosure of information about specific taxpayers or businesses in its tables. Therefore, a weighted frequency (and the associated amount, where applicable) of less than 3 is either combined with data in an adjacent cell(s) so as to meet the criteria, or deleted altogether. Similar steps are taken to prevent indirect disclosure through subtraction. However, any combined or deleted data are included in the appropriate totals. Most data on tax-exempt, nonprofit organizations are excluded from disclosure review because the Internal Revenue Code and regulations permit public access to most of the information reported by these organizations.

# SOI Projects, Contacts, and Public Release Information

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

| SOI Projects and Contacts   | Program Content and Frequency   | Program Year | Goals for Public Release |                                  |                          |                          |  |
|---|---|--------------|--------------------------|----------------------------------|--------------------------|--------------------------|--|
|   |   |              | End of tax year          | Close of filing period—          |                          | Close of sampling period | Planned release date for the final draft |
|   |   |              |                          | Regular                          | With extensions of time  |                          |  |
| <b>Controlled Foreign Corporations [1]:</b><br>Jason Wenrich  | This semiannual study provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry group and country.  | 2008         | June 2009                | September 2009                   | March 2010               | June 2010                | October 31, 2011                         |
| <b>Controlled Foreign Partnerships [1]:</b><br>Bill States  | This study provides data on activities of foreign partnerships that are controlled by U.S. corporations or partnerships. Frequency of this study has not been determined.   | 2008         | June 2009                | September 2009                   | March 2010               | June 2010                | December 31, 2011                        |
| <b>Corporation Foreign Tax Credit [1]:</b><br>Scott Luttrell<br>Lissa Costa<br>Nuria McGrath              | This annual study provides data on foreign income, taxes paid, and foreign tax credit reported on corporation foreign income tax returns. Data are classified by industry group and country.  | 2008<br>2009 | June 2009<br>June 2010   | September 2009<br>September 2010 | March 2010<br>March 2011 | June 2010<br>June 2011   | October 31, 2011<br>October 31, 2012     |
| <b>Corporation Income Tax Returns [2]:</b><br>Heather Parisi & Bill Rush<br>Bill Rush & Kimberly Stockton | Basic data are produced annually and cover complete income statement, balance sheet, tax, tax credits, and details from supporting schedules. Data are classified chiefly by industry group or asset size.  | 2008<br>2009 | June 2009<br>June 2010   | September 2009<br>September 2010 | March 2010<br>March 2011 | June 2010<br>June 2011   | January 31, 2011<br>December 30, 2011    |
| <b>Disregarded Entities Study [1]:</b><br>Jason Wenrich   | This semiannual study provides data on activities of foreign disregarded entities that are controlled by U.S. corporations. Data are classified by industry group and country.  | 2008         | June 2009                | September 2009                   | March 2010               | June 2010                | May 31, 2012                             |
| <b>Estate Tax:</b><br>Brian Raub<br>Joseph Newcomb  | This annual study provides information on a gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of decedents. Basic estate tax return data by year in which returns are filed are produced each year. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 2007 with returns filed in 2007–2009. The most recent data available are for returns filed in 2009. | 2010         | [3]                      | [3]                              | [3]                      | December 2010            | October 31, 2011                         |
| <b>Fiduciary Income Tax Study:</b><br>Joseph Newcomb  | This annual study provides data on income, deductions, gains, and losses reported by estates and trusts, as well as distributions to beneficiaries and income tax liability.  | 2010         | [5]                      | [5]                              | [5]                      | December 2010            | October 31, 2011                         |

Footnotes at end of table.

## SOI Projects, Contacts, and Public Release Information

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov**

| SOI Projects and Contacts   | Program Content and Frequency  | Program Year         | Goals for Public Release                        |  |  |   |   |
|---|--|----------------------|---|--|--|---|---|
|   |  |                      | End of tax year                                 | Close of filing period—                |  | Close of sampling period                        | Planned release date for the final draft              |
|   |  |                      |   | Regular                                | With extensions of time                      |   |   |
| <b>Foreign-Controlled Domestic Corporations:</b><br>James Hobbs                                 | This annual study covers domestic corporations with 50-percent-or-more stock ownership by a single foreign "person." It covers balance sheet, income statement, and tax-related data, which are classified by industry group, country, and size and age of the corporations. Data are compared to those for other domestic corporations. | 2009                 | June 2010                                       | September 2010                         | March 2011                                   | June 2011                                       | December 30, 2011                                     |
| <b>Foreign Recipients of U.S. Income:</b><br>Scott Luttrell                                     | This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.  | 2009<br>2010         | December 2009<br>December 2010                  | March 2010<br>March 2011               | April 2010<br>April 2011                     | March 2011<br>March 2012                        | September 30, 2011<br>September 30, 2012              |
| <b>Foreign Trusts:</b><br>Dan Holik   | This periodic study, conducted every 4 years, provides data on foreign trusts that have U.S. "persons" as grantors, transferors, or beneficiaries. Data include country where the trust was created, value of transfer to the trust, and year the trust was created. The most recent study is for Tax Year 2006.                         | 2010                 | December 2010                                   | April 2011                             | October 2011                                 | March 2012                                      | December 2012   |
| <b>Gift Tax:</b><br>Melissa Belvedere   | This annual study provides data for type and amount of gift, information on donee, and tax computation items. Information about the donor and gift splitting is also available. The most recent available data are for Filing Year 2009.   | 2010                 | [3]   | [3]                                    | [3]  | December 2010                                   | October 31, 2011                                      |
| <b>Individual Income Tax Returns:</b><br>Maureen Keenan Kahr<br>Scott Hollenbeck<br>Mike Parisi | Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules. Data are classified by size of adjusted gross income, marital status, or type of tax computation.  | 2008<br>2009<br>2010 | December 2008<br>December 2009<br>December 2010 | April 2009<br>April 2010<br>April 2011 | October 2009<br>October 2010<br>October 2011 | December 2009<br>December 2010<br>December 2011 | August 31, 2010<br>August 31, 2011<br>August 31, 2012 |
| <b>Interest-Charge Domestic International Sales Corporations:</b><br>Dan Holik                  | These corporations replaced the Domestic International Sales Corporations, or DISCs, as of 1985. Balance sheet, income statement, and export-related data are tabulated every 2 years. The most recent study is for Tax Year 2006.   | 2010                 | June 2011                                       | September 2011                         | March 2012                                   | June 2012                                       | February 28, 2013                                     |

Footnotes at end of table.

## SOI Projects, Contacts, and Public Release Information

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov**

| SOI Projects and Contacts  | Program Content and Frequency  | Program Year | Goals for Public Release       |                          |                                  |                                  |  |
|--|--|--------------|--------------------------------|--------------------------|----------------------------------|----------------------------------|--|
|  |  |              | End of tax year                | Close of filing period—  |                                  | Close of sampling period         | Planned release date for the final draft |
|  |  |              |                                | Regular                  | With extensions of time          |                                  |  |
| <b>International Boycott Reports:</b><br>Lissa Costa                         | This study provides data on business operations of U.S. "persons" in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.                                    | 2009         | December 2009                  | April 2010               | September 2010                   | July 2011                        | October 31, 2011                         |
| <b>Migration Flow and County Income Data:</b><br>Emily Gross<br>Kevin Pierce | Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 2007–2008.  | 2008<br>2009 | December 2008<br>December 2009 | April 2009<br>April 2010 | October 2009<br>October 2010     | December 2009<br>December 2010   | May 2011<br>September 2011               |
| <b>Noncash Charitable Contributions:</b><br>Janette Wilson<br>P.J. Liddell   | This study of individual income tax returns provides detailed asset donations, descriptions of the donees, donor cost, fair market value, and deduction claimed on Form 8283, <i>Noncash Charitable Contributions</i> .  | 2008<br>2009 | December 2008<br>December 2009 | April 2009<br>April 2010 | October 2009<br>October 2010     | December 2009<br>December 2010   | March 31, 2011<br>March 31, 2012         |
| <b>Nonfarm Sole Proprietorships:</b><br>Jeff Curry<br>Adrian Dungan          | Basic data, produced annually, cover business receipts, deductions, and net income reported on Schedule C, Profit or Loss From Business, for nonfarm proprietors, classified by industry group.  | 2009<br>2010 | December 2009<br>December 2010 | April 2010<br>April 2011 | October 2010<br>October 2011     | December 2010<br>December 2011   | August 31, 2011<br>August 31, 2012       |
| <b>Nonresident Alien Estate Tax:</b><br>Melissa Belvedere                    | This annual study provides information on gross estates, including composition, deductions, and tax, of nonresident aliens who owned at least \$60,000 worth of property within the U.S. at time of death. The most recent available data are for returns filed in 2009. | 2010         | [3]                            | [3]                      | [3]                              | December 2010                    | August 31, 2011                          |
| <b>Partnership Returns of Income [4]:</b><br>Nina Shumofsky                  | Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.  | 2009<br>2010 | December 2009<br>December 2010 | April 2010<br>April 2011 | September 2010<br>September 2011 | December 2010<br>December 2011   | July 31, 2011<br>July 31, 2012           |
| <b>Partnership Withholding Study:</b><br>Scott Luttrell                      | This annual study provides data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.   | 2008<br>2009 | December 2008<br>December 2009 | April 2009<br>April 2010 | October 2009<br>October 2010     | September 2010<br>September 2011 | May 31, 2011<br>May 31, 2012             |

Footnotes at end of table.

## SOI Projects, Contacts, and Public Release Information

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov**

| SOI Projects and Contacts  | Program Content and Frequency  | Program Year | Goals for Public Release |                                  |                          |                          |  |
|--|--|--------------|--------------------------|----------------------------------|--------------------------|--------------------------|--|
|  |  |              | End of tax year          | Close of filing period—          |                          | Close of sampling period | Planned release date for the final draft |
|  |  |              |                          | Regular                          | With extensions of time  |                          |  |
| <b>Personal Wealth Study:</b><br>Brian Raub<br>Joseph Newcomb      | This periodic study provides estimates of personal wealth of top wealth holders that are generated from estate tax return data using the “estate multiplier” technique, in conjunction with both filing-year and year-of-death estate databases. The most recent data, for 2004, are based on returns filed from 2004 to 2006. | 2007         | [3]                      | [3]                              | [3]                      | December 2009            | September 30, 2011                       |
| <b>S Corporations:</b><br>Issac Goodwin<br>Heather Parisi          | Annual study data are collected for the income statement and balance sheet, and from supporting schedules. Data are classified by industry group or asset size.  | 2008<br>2009 | June 2009<br>June 2010   | September 2009<br>September 2010 | March 2010<br>March 2011 | June 2010<br>June 2011   | January 31, 2011<br>December 31, 2011    |
| <b>Sales of Capital Assets Cross-Section:</b><br>Janette Wilson    | This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.  | 2012         | December 2012            | April 2013                       | October 2013             | December 2013            | March 31, 2014                           |
| <b>Sales of Capital Assets Panel:</b><br>Janette Wilson            | This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.  | 1999–2007    | December 2010            | April 2011                       | October 2011             | December 2011            | December 31, 2012                        |
| <b>Split-Interest Trust Information:</b><br>Lisa Rosenmerkel       | This annual study provides information on charitable remainder trusts, charitable lead trusts, and pooled income funds. Data include balance sheet, income, deductions, and detail from accumulation and distribution schedules. The most recent data are for Filing Year 2009.  | 2010         | [5]                      | [5]                              | [5]                      | December 2010            | October 31, 2011                         |
| <b>Tax-Exempt Bond Issues:</b><br>Cynthia Belmonte<br>Aaron Barnes | This annual study provides information on private activity and Governmental bond issues by type of property financed, size of face amount, and State. The most recent data are for Issue Year 2008 public purpose bonds and private activity bonds.  | 2009         | [6]                      | [6]                              | [6]                      | December 2010            | July 29, 2011                            |

Footnotes at end of table.

# SOI Projects, Contacts, and Public Release Information

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov**

| SOI Projects and Contacts   | Program Content and Frequency   | Program Year | Goals for Public Release       |                                  |                              |                                |  |
|---|---|--------------|--------------------------------|----------------------------------|------------------------------|--------------------------------|--|
|   |   |              | End of tax year                | Close of filing period—          |                              | Close of sampling period       | Planned release date for the final draft |
|   |   |              |                                | Regular                          | With extensions of time      |                                |  |
| <b>Tax-Exempt Organizations (Except Private Foundations) [7]:</b><br>Paul Arnsberger<br>Mike Graham | This annual study provides balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code. The most recent data are for Tax Year 2007 returns filed in Calendar Years 2008–2009.   | 2008         | November 2009                  | April 2010                       | October 2010                 | December 2010                  | July 29, 2011                            |
| <b>Tax-Exempt Organizations, (Private Foundations) [7]:</b><br>Cynthia Belmonte<br>Mike Graham      | This annual study provides balance sheet and income statement data for domestic private foundations and charitable trusts filing a Form 990-PF. The most recent data are for Tax Year 2007 returns filed in Calendar Years 2008–2009.   | 2008         | November 2009                  | April 2010                       | October 2010                 | December 2010                  | July 29, 2011                            |
| <b>Tax-Exempt Organizations, Unrelated Business Income [7]:</b><br>Jael Jackson                     | This annual study provides tabulations of unrelated business income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The most recent data are for Tax Year 2007 returns filed in Calendar Years 2008–2009.  | 2008         | November 2009                  | April 2010                       | October 2010                 | December 2010                  | October 31, 2011                         |
| <b>Transactions of Foreign-Controlled Corporations:</b><br>Isaac Goodwin<br>Gerry Skurski           | This biennial study provides data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry group.  | 2006<br>2008 | June 2007<br>June 2009         | September 2007<br>September 2009 | March 2008<br>March 2010     | June 2008<br>June 2010         | April 2009<br>April 2011                 |
| <b>ZIP Code Area Data:</b><br>Kevin Pierce  | Statistics on CD-ROM show number of individual income tax returns, exemptions, and several income items by State and 5-digit ZIP Code. Data are available for 2002 and 2004–2007 on a reimbursable basis. Data for Tax Years 1998 and 2001 are also available, free of charge, on the IRS Web site: <a href="http://www.irs.gov/taxstats/article/0,,id=96947,00.html">http://www.irs.gov/taxstats/article/0,,id=96947,00.html</a> . | 2008<br>2009 | December 2008<br>December 2009 | April 2009<br>April 2010         | October 2009<br>October 2010 | December 2009<br>December 2010 | May 2011<br>September 30, 2011           |

[1] Data for 2008 represent accounting periods ending July 2008 through June 2009. Data for other study years are similarly defined.  
 [2] Corporation statistics for 2008 represent accounting periods ended July 2008 through June 2009. Study Year 2009 is similarly defined.  
 [3] Estate and gift tax data are processed on a filing-year, rather than on a year-of-death or gift-year (tax-year) basis. At a later stage (not shown here), filing years are combined by year of death or gift year, respectively.  
 [4] For Forms 1065 that are due after December 31, 2008, the automatic extension period was reduced from 6 months to 5 months.  
 [5] Split-interest trust and fiduciary income tax statistics are processed on a filing-year rather than a tax-year basis.  
 [6] Tax-exempt private activity governmental bond statistics are collected annually based on issue year. Arbitrage rebate and penalty are conducted biennially, for tax years ending in odd numbers.  
 [7] Data for 2007 represent tax years ending between December 2007 and November 2008. Study Year 2008 is similarly defined.

# SOI Products and Services

**S**tatistics of Income (SOI) data are available in electronic formats and in print. For further information on any of the following products and services, or for answers to questions on the availability of SOI data, other statistical services, or release dates for data, contact SOI's **Statistical Information Services (SIS)**:

**Statistical Information Services** (sis@irs.gov)  
Statistics of Income Division  
Internal Revenue Service  
P.O. Box 2608 • Washington, DC 20013-2608  
(202) 874-0410 • **Fax:** (202) 874-0964

As its name implies, SIS is best able to answer questions about data. It does not supply tax forms or information about the status of an individual's tax refund or audit examination. Media requests should be directed to the IRS Media Relations Branch, Communications Division, on (202) 622-4000.

## Free Products on the Internet

SOI's Internet site offers a combination of files presenting SOI tables, articles about SOI data, and information about SOI products and services, as well as non-SOI products, including Compliance Research projections and nonprofit Master File microdata records. At present, almost 12,000 files reside there.

**Web site:** [www.irs.gov/taxstats](http://www.irs.gov/taxstats)

There is also a direct link to our Web site from FedStats, the gateway to official statistics from the Federal Government: [www.fedstats.gov](http://www.fedstats.gov).

### Tax Stats

On the Tax Stats Home Page, you will find the following list of topics that will lead to a wide range of tables, articles, and data that describe and measure elements of the U.S. tax system. There is also a link to check out What's New.

### Business Tax Statistics

Corporations • International • Partnerships  
Nonfarm Sole Proprietorships  
S Corporations • All Topics

### Charitable and Exempt Organization Statistics

Charities • Exempt Organization Master File  
Private Foundations • Trusts  
Tax-Exempt Bonds • All Topics

### Individual Tax Statistics

Estate and Gift Tax • Individual Income  
Tax • International Personal  
Wealth • All Topics

### Products, Publications, and Papers

SOI Bulletins • IRS Data Books  
U.S. Population Migration Data • SOI Paper Series  
All Topics

### IRS Operations, Budget, and Compliance

Issuing Refunds • Collecting Revenue  
Enforcing Laws • Assisting Taxpayers  
Historical Data Tables • All Topics

### Statistics by Form

706 • 709 • 990 • 990-PF • 990-T  
1040 • 1041 • 1065 • 1118 • 1120  
5471 • 5472 • 8038 • All Forms

### Statistics of Income (SOI)

About SOI • Careers With SOI  
Dissemination Policy  
SOI Products and Services • SOI Studies  
Sampling Methodology • Information Quality  
All Topics

### Additional Information

Tax Statistics at a Glance  
Join SOI Tax Stats E-Mail List  
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Questions On Tax Statistics?

## Products for Sale From SOI

Many of SOI's data files are available for sale on CD-ROM or via e-mail through Statistical Information Services. **Prepayment is required for orders of \$100 or more**, with checks made payable to the **IRS Accounting Section**. Credit and debit card payments are also accepted. Contact SIS for information on specific products, prices, sources, media, and ordering instructions.

The following files are currently available on a reimbursable basis and include data from returns for corporations, individuals, exempt organizations, and private foundations and charitable trusts. Most of these files are tabulations of aggregated data, but some are files of microdata records.

### Corporation Income Tax Returns

#### Corporation Source Book

CD-ROMs containing data from the *Corporation Source Book* are available for Tax Years 1996-2003 at a cost of \$250 per year. Data from the 2004 through 2008 *Corporation Source Books* are available at no charge from the Tax Stats Web site. Data tables from the 2000 through 2008 *Source Books* are also available at no charge from the Tax Stats Web site at: [www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html](http://www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html).

### Individual Income Tax Returns

#### Individual Public-Use Microdata Files

These files include individual income tax returns for Tax Years 1960, 1962, 1964, and 1966-2005. All of the files have been edited to protect the confidentiality of individual taxpayers. Public-use files of individual income tax returns for 1960, 1962, 1964, and 1966-1991 are available for sale by writing to the Center for Electronic Records at the National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001, or by calling toll-free (866) 272-6272. Files for 1992 through 2005 are available on CD-ROM from the SOI Division. Price for the SOI microdata files is \$4,000 per year.

#### County-to-County Migration Data

Data are based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. Data present migration patterns by county for the entire United States, including inflows and outflows, and include the number of returns (which approximates the number of households); the number of personal exemptions (which approximates the population); and total "adjusted gross income." Available for Filing Years 1991-2008. Price is \$200 per year for the entire United States or \$10 per State per year for Filing Years 1991-2004. All years for the entire United States are also available for \$500. Filing Years 2005-2008 are available at no cost at [www.irs.gov/taxstats](http://www.irs.gov/taxstats). Click on "U.S. Population Migration Data."

#### State-to-State Migration Data

Data are based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. Data present migration patterns by State for the entire United States, including inflows and outflows, and include the number of returns (which approximates the number of households); the

number of personal exemptions (which approximates the population); and total "adjusted gross income." Available for Filing Years 1989-2008. Price is \$50 per year for the entire United States or \$10 per State per year for Filing Years 1989-2004. Filing Years 2005-2008 are available at no cost at [www.irs.gov/taxstats](http://www.irs.gov/taxstats). Click on "U.S. Population Migration Data."

#### County Income Data

One table, based on the population of returns from the IRS Individual Master File system. This table presents data for adjusted gross income (total and for selected sources), number of returns (which approximates the number of households), and number of personal exemptions (which approximates the population). The data are presented by county (including State totals) and are available for Tax Years 1989-2007 for the entire United States. Price is \$50 per year for the entire United States or \$10 per State per year for Filing Years 1989-2003. Filing Years 2005-2008 are available at no cost at [www.irs.gov/taxstats](http://www.irs.gov/taxstats). Click on "U.S. Population Migration Data."

#### ZIP Code Area Data

Statistics are available for Tax Years 2002 and 2004-2006 on CD-ROM showing the number of individual income tax returns; the total number of exemptions and number of dependent exemptions (which approximates population); adjusted gross income; salaries and wages; taxable interest; total tax; contributions; number of returns with Schedules C and F; and number of returns with Schedule A, by State and 5-digit ZIP Code. In addition to these items, data for Tax Year 2004-2007 also show the amount of taxable dividends; net capital gain/loss; IRA payment adjustment; self-employed pension adjustment; taxes paid deduction; alternative minimum tax; income tax before credits; earned income credit; and number of returns prepared by paid preparers. Price is \$500 for the entire United States; \$25 for a single State. Data for Tax Years 1998 and 2001 are available free on SOI's Internet site. Go to [www.irs.gov](http://www.irs.gov), select the **Tax Stats** option; Individual Tax Statistics; Individual Income Tax; Zip Code Data (SOI) under Data by Geographic Areas.

### Tax-Exempt Organizations

#### Compendium of Studies of Tax-Exempt Organizations, 1989-1998

This is a compilation of articles on SOI studies of charitable and other nonprofit organizations described in Internal

## SOI Products and Services

Revenue Code sections 501(c)(3)-(c)(9), private foundations, charitable remainder trusts, and nonprofit organizations' unrelated business income. All of these articles were published previously in various issues of the *Statistics of Income Bulletin*. In addition, the *Compendium* includes papers on statistical sampling of tax-exempt organization returns, and other topics relating to tax-exempt organizations and philanthropy that were authored by IRS staff and others who use SOI study data for research. Available at no charge on CD-ROM.

### Microdata Records for Tax Year 2007

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. The samples include 16,042 Internal Revenue Code section 501(c)(3) organizations and 6,555 section 501(c)(4)-(9) organizations. All returns for organizations with assets of \$50,000,000 or more are included in the sample. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html), or may be purchased on CD-ROM for \$20.

### Microdata Records for Tax Years 1992-2006

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=97176,00.html), or may be purchased on CD-ROM for \$20.

## Private Foundations (and Charitable Trusts)

### Microdata Records for Tax Year 2007

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes 12,776 returns. (All returns filed by foundations with assets of \$10 million or more, as well as the population of returns filed by nonexempt charitable trusts, are included in the sample.) Microdata records contain information on revenue, expenses,

assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html), or may be purchased for \$20.

### Microdata Records for Tax Years 1992-2006

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at [www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html](http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html), or may be purchased for \$20.

## Publications

### Statistics of Income—2008, Corporation Source Book

*Publication 1053, Price: \$175,  
plus \$10 for shipping and handling*

This document presents detailed income statement, balance sheet, tax, and selected items, by sector, major and minor industrial groups, and size of total assets for all returns and separately for returns with net income. Separate statistics on S corporations are included by sector. Industry detail is based on the North American Industry Classification System (NAICS). The report, which underlies the *Statistics of Income—Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. *Corporation Source Book* industry pages and notes for 1963 through the present are available at a cost of \$30, plus \$1 per page copying charge (free for orders under 5 pages). The complete, printed version of the *Source Book* for selected prior years, 1984-2008, is also for sale at \$175 per year, plus \$10 for shipping and handling.

### Compendium of Federal Estate Tax and Personal Wealth Studies

*Publication 1773, Price: \$26,  
plus \$10 for shipping and handling*

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composi-

tion of their estates. It contains a methodological discussion of the strategy used in weighting sample data for the estate studies and presents statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years 1962-1989, and a discussion of the relationship among realized income, wealth, and well-being.

### Products for Sale From GPO

Recent SOI publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, **by calling (202) 512-1800, or faxing (202) 512-2250**. Credit cards are accepted. Publications may also be obtained by using the order form at the end of this *Bulletin* or writing to:

#### Superintendent of Documents

P.O. Box 371954  
Pittsburgh, PA 15250-7954

\* If you determine from the Government Printing Office that any of the following items is out of print, call **Statistical Information Services on (202) 874-0410** for assistance.

#### Statistics of Income—2007, Corporation Income Tax Returns

*Publication 16 Stock No. 048-004-02520-5*  
*Price: \$52.00*

This report presents comprehensive data on corporation income tax returns with accounting periods that ended July 2007 through June 2008. Data are classified by industry, size of total assets, and size of business receipts. In addition, the 2006 report is available on SOI's Tax Stats Web site.

#### Statistics of Income—2007, Individual Income Tax Returns

*Publication 1304, Stock No. 048-004-02514-1*  
*Price: \$43 Foreign: \$60.20*

This report presents more comprehensive and complete data on individual income tax returns for Tax Year 2007 than those published earlier in the *SOI Bulletin*.

Presents information on:

- sources of income
- exemptions
- itemized deductions
- tax computations

Classifies data by:

- size of adjusted gross income
- marital status
- type of tax computation
- age

#### IRS Data Book, 2009

*Annually, Publication 55B, Stock No. 048-004-02518-3*  
*Price: \$13.75 International: \$19.25*

This volume pertains to Fiscal Year (FY) 2009—October 1, 2008, through September 30, 2009. The report provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities. The FY 2010 issue of the Data Book will be available in late March 2011.

#### Statistics of Income Bulletin

*Quarterly, Publication 1136, Stock No. 748-005-00000-4*  
*Subscription price: \$67 International: \$93.80*  
*Summer 2010 Single copy, Stock No. 748-005-00104-4*  
*Single copy price: \$44 International: \$61.60*

This series provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and partnerships, as well as periodic or special studies of particular interest to tax analysts, administrators, and economists. Historical tables, published in the spring issue, include data from SOI, as well as tax collections and refunds by type of tax.