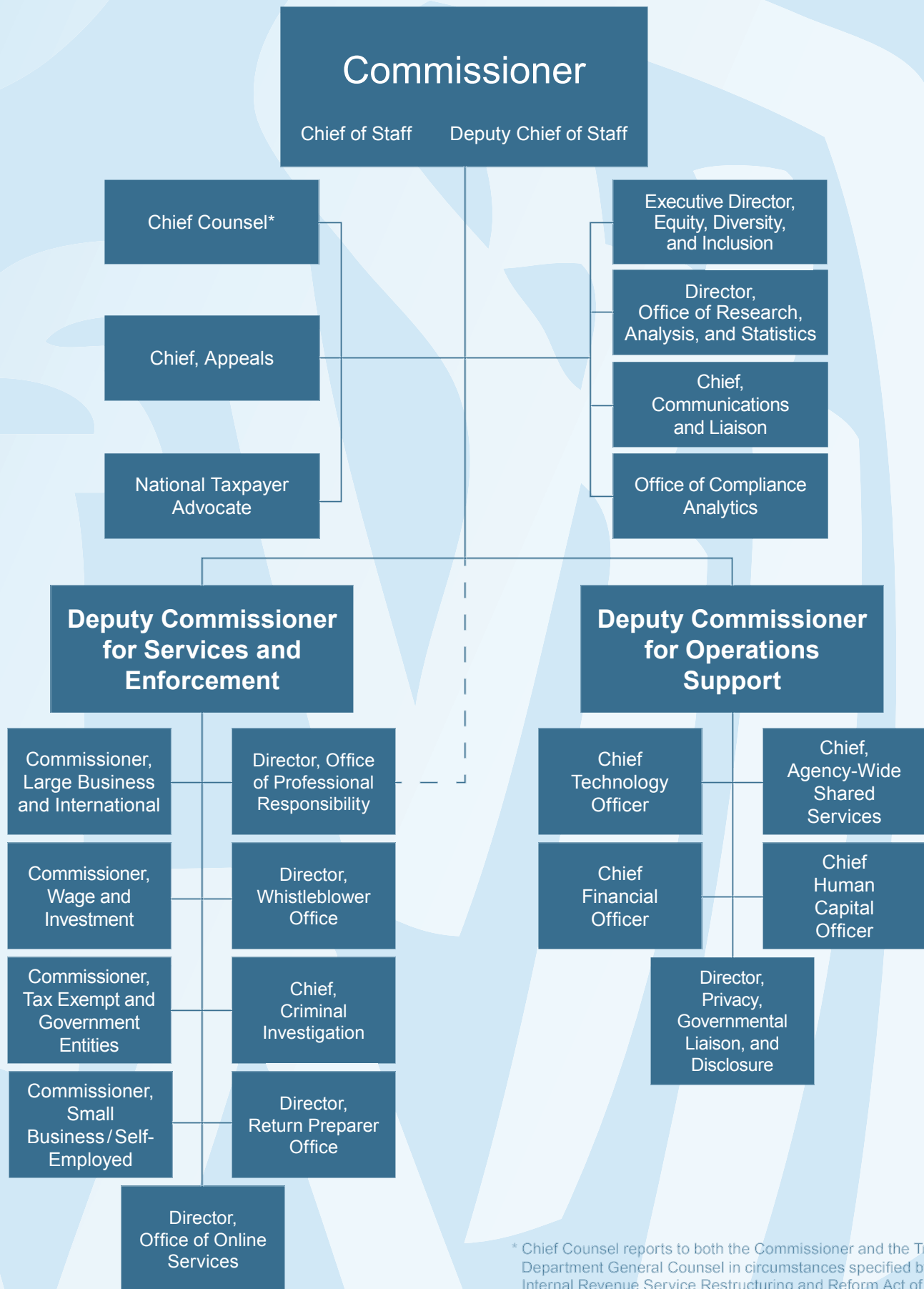


2012

INTERNAL
REVENUE
SERVICE

DATA BOOK

October 1, 2011 to September 30, 2012



* Chief Counsel reports to both the Commissioner and the Treasury Department General Counsel in circumstances specified by the Internal Revenue Service Restructuring and Reform Act of 1998.

Internal Revenue Service **Data Book, 2012**

This report describes activities conducted by the Internal Revenue Service during Fiscal Year 2012 (October 1, 2011, through September 30, 2012). It provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities.

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The Internal Revenue Service Data Book Online

The *Internal Revenue Service Data Book* tables for the current year and previous years may be found on the IRS Internet site. The World Wide Web address is: www.irs.gov/taxstats. From the Web site, select "IRS Data Books" in the "Products, Publications & Papers" section. An archive of historical *Data Books* from 2012 to 1863 is also available on the site. For additional information, contact Statistical Information Services at 202-874-0410 or e-mail sis@irs.gov.

Letter from the Commissioner

I am pleased to present the 2012 *Internal Revenue Service Data Book*, which details IRS activities for Fiscal Year 2012 (October 1, 2011 through September 30, 2012). This annual report catalogs the many ways in which our dedicated employees serve the American taxpayer.

During Fiscal Year 2012, the IRS processed more than 237 million returns, including individual income, corporate income and employment income tax returns. We provided \$373 billion in refunds to these taxpayers and collected \$2.5 trillion for the federal government. We provided taxpayer assistance through nearly 373 million visits to IRS.gov, and assisted nearly 97 million taxpayers via our toll-free telephone helpline or at walk-in sites. Of the 146 million individual income tax returns processed, 81 percent were filed electronically.

In 2012, the IRS responded to many challenging situations, providing assistance to taxpayers in a variety of circumstances. For example, we gave filing and payment relief to victims of Hurricane Isaac and later Hurricane Sandy. We also continued to add flexibilities to our collection program under the Fresh Start initiative, to help taxpayers facing economic hardships.

One of the biggest challenges confronting the IRS today is refund fraud caused by identity theft. The IRS has more than doubled the number of staff dedicated to preventing refund fraud and assisting taxpayers victimized by identity theft, with more than 3,000 employees working in this area. As a result of these increased efforts, the IRS during FY 2012 was able to prevent the issuance of more than 3 million fraudulent refunds worth more than \$20 billion. Despite these efforts, much more work remains on identity theft as well as on overall refund fraud.

The IRS in 2012 made significant progress on international enforcement, specifically in our efforts against the practice of illegally hiding assets and income in offshore accounts. We have continued our two-pronged approach: offering a voluntary disclosure program for those who want to come in and get right with the government, while at the same time pursuing tax evaders and the promoters and banks assisting them.

Looking ahead, we look to make further progress in our efforts to improve taxpayer service and ensure compliance with the nation's tax laws. I am proud to give you this year's issue of the *IRS Data Book*.

Acting Commissioner of Internal Revenue

Steven T. Miller

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Returns Filed, Taxes Collected, and Refunds Issued

Tables 1 and 2 provide a broad overview of the main functions performed by the IRS: processing Federal tax returns and collecting revenue. During Fiscal Year (FY) 2012, the IRS processed more than 237.3 million Federal tax returns and supplemental documents, and collected over \$2.5 trillion in gross taxes. After accounting for nearly 123.4 million refunds, totaling more than \$373.4 billion, collections (net of refunds) totaled almost \$2.2 trillion.

During FY 2012, there were more than 146.2 million individual income tax returns filed, accounting for over 61.6 percent of all returns filed. Individual income tax withheld and tax payments, combined, totaled nearly \$1.4 trillion before refunds, which amounted to almost \$322.7 billion.

The IRS also processed nearly 2.3 million returns and collected almost \$281.5 billion in taxes, before refunds, from corporations in FY 2012. Partnerships and S corporations filed an additional 8.2 million returns.

Tables 3 through 6 provide additional details on returns filed, returns filed electronically, and gross collections. More than 144.6 million returns, including nearly 81.0 percent of individual income tax returns, were filed electronically in FY 2012. Of these, paid preparers filed more than 75.1 million tax returns electronically and taxpayers filed more than 3.1 million returns using the IRS Free File program.

Tables 7 and 8 provide information on tax refunds by State and type of tax. In FY 2012, nearly 17.0 million tax refunds included a refundable child tax credit and almost 23.5 million included the earned income tax credit.

Table 1. Collections and Refunds, by Type of Tax, Fiscal Years 2011 and 2012

[Money amounts are in thousands of dollars]

Type of tax	Gross collections [1]			Refunds [1, 2]		Net collections [1]	
	2011	2012	Percentage of 2012 total	2012	2012	Percentage of 2012 total	
	(1)	(2)	(3)	(4)	(5)	(6)	
United States, total	2,414,952,112	2,524,320,134	100.0	373,428,754	2,150,891,380	100.0	
Business income taxes	242,848,122	281,461,580	11.1	43,970,393	237,491,187	11.0	
Corporation	242,435,939	280,965,136	11.1	n.a.	n.a.	n.a.	
Tax-exempt organization unrelated business income tax	412,183	496,445	[3]	n.a.	n.a.	n.a.	
Individual and estate and trust income tax [4, 5]	1,346,182,227	1,387,836,515	55.0	324,060,446	1,063,776,069	49.5	
Individual income tax withheld	1,010,108,738	1,038,019,224	41.1	n.a.	n.a.	n.a.	
Individual income tax payments [6]	321,051,732	333,383,066	13.2	n.a.	n.a.	n.a.	
Estate and trust income tax	15,021,758	16,434,225	0.7	1,393,448	15,040,777	0.7	
Employment taxes	767,504,822	784,396,853	31.1	3,729,631	780,667,222	36.3	
Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI), total [5]	755,919,267	772,464,824	30.6	3,616,114	768,848,709	35.7	
Federal Insurance Contributions Act (FICA)	712,152,243	728,688,235	28.9	n.a.	n.a.	n.a.	
Self-Employment Insurance Contributions Act (SECA)	43,767,024	43,776,589	1.7	n.a.	n.a.	n.a.	
Unemployment insurance	6,893,225	7,158,984	0.3	105,931	7,053,053	0.3	
Railroad retirement	4,692,329	4,773,045	0.2	7,586	4,765,459	0.2	
Estate and gift taxes	9,079,375	14,450,249	0.6	504,631	13,945,618	0.6	
Estate [7]	2,506,991	12,340,655	0.5	406,379	11,934,276	0.6	
Gift [8]	6,572,384	2,109,594	0.1	98,252	2,011,342	0.1	
Excise taxes	49,337,563	56,174,937	2.2	1,163,654	55,011,283	2.6	

n.a.—Not available.

[1] Excludes credits to taxpayer accounts, as well as excise taxes paid to the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[2] Includes overpayment refunds, refunds resulting from examination activity, refundable tax credits, and other refunds required by law. Also includes \$2.7 billion in interest, of which \$1.7 billion was paid to corporations and \$1.0 billion was paid to all others (related to individual, employment, estate, gift and excise tax returns).

[3] Less than 0.05 percent.

[4] Collections include Presidential Election Campaign Fund contributions of \$39.6 million in Fiscal Year 2011 and \$37.3 million in Fiscal Year 2012.

[5] Collections of withheld individual income tax are not reported by taxpayers separately from Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages (under the Federal Insurance Contributions Act or FICA) and on self-employment income (under the Self-Employment Insurance Contributions Act or SECA). The OASDHI tax collections and refunds shown in this table are based on estimates made by the Secretary of the Treasury pursuant to the provisions of Section 201 (a) of the Social Security Act as amended and include all OASDHI taxes. Amounts shown for individual income tax withheld and individual income tax payments were derived by subtracting the FICA and SECA tax estimates from total individual income tax withheld and individual income tax payments. Refund estimates, and, therefore, net collection estimates, were not made for the components of income and OASDHI taxes.

[6] Includes collections of estimated income tax and payments included with individual income tax return filings.

[7] The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a \$5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706 (estate and generation-skipping transfer tax return), due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. The law also provided a \$5-million exemption for the estates of 2011 decedents. These tax law changes significantly reduced estate tax gross collections in Fiscal Year 2011 relative to other fiscal years.

[8] Gifts are taxed based on the Federal tax law in effect for the year in which they are given, and the majority of gifts given in one year are reported to the IRS in the following year. As shown here, gift tax collections decreased significantly between Fiscal Years 2011 and 2012, which reflect a decrease in the amount of gift tax collections on gifts made primarily in 2010 and 2011. Gifts made during Calendar Year 2010 were subject to a maximum unified credit amount of \$330,800; gifts made during Calendar Year 2011 were subject to a maximum unified credit amount of \$1,730,800. The unified credit, which applies to the sum of both taxable gifts made during life and a decedent's estate, is a credit to offset the amount of transfer tax that would be assessed on assets below the applicable exclusion amount.

NOTES:

Detail may not add to totals because of rounding.

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass any profits or losses to the underlying owners, who include these profits or losses on their income tax returns.

SOURCE: Chief Financial Officer, Financial Management.

Table 2. Number of Returns Filed, by Type of Return, Fiscal Years 2011 and 2012

[Numbers are in thousands—for Fiscal Year 2012 details by State, see Table 3]

Type of return	2011	2012	Percentage change
	(1)	(2)	(3)
United States, total [1]	234,567	237,345	1.2
Income taxes, total	180,752	182,332	0.9
C or other corporation [2]	2,313	2,263	-2.2
S corporation, Form 1120-S	4,545	4,580	0.8
Partnership, Form 1065	3,574	3,626	1.5
Individual [3]	143,608	146,244	1.8
Forms 1040, 1040-A, 1040-EZ	142,782	145,400	1.8
Forms 1040-C, 1040-NR, 1040NR-EZ, 1040-PR, 1040-SS	826	844	2.2
Individual estimated tax, Form 1040-ES	23,224	22,158	-4.6
Estate and trust, Form 1041	3,106	3,061	-1.4
Estate and trust estimated tax, Form 1041-ES	382	400	4.7
Employment taxes [4]	29,446	29,590	0.5
Estate tax [5]	11	27	145.5
Gift tax, Form 709	208	249	19.7
Excise taxes [6]	522	1,197	129.3
Tax-exempt organizations [7]	1,385	1,367	-1.3
Supplemental documents [8]	22,243	22,583	1.5

[1] Excludes information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1); tax-exempt bond returns (Forms 8038, 8038-B, 8038-CP, 8038-G, 8038-GC, 8038-T, 8038-TC, and 8328); and employee retirement benefit plan returns (Forms 5500, 5500-EZ, and 5500-SF). See Table 13 for information on tax-exempt bond returns. See Tables 13 and 23 for information on employee retirement benefit plans.

[2] Includes Form 1066 (real estate mortgage investment conduit income tax return) and the Form 1120 series as follows: 1120 (corporation income tax return); 1120-C (cooperative association income tax return); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-FSC (foreign sales corporation income tax return); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-POL (income tax return for certain political organizations); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Form 1120-X (amended corporation income tax return) is included with Supplemental documents in this table.

Excludes Form 990-T (tax-exempt organization unrelated business income tax return), which is included under Tax-exempt organizations in this table, although the tax reported on these returns is combined with Business income taxes in other tables.

[3] Includes the Form 1040 series as follows: 1040 (individual income tax return); 1040-A (individual income tax return, short form); 1040-C (income tax return for departing aliens); 1040-EZ (individual income tax return for single and joint filers with no dependents); 1040-NR (nonresident alien income tax return); 1040NR-EZ (income tax return for certain nonresident aliens with no dependents); 1040-PR (self-employment income tax return for Puerto Rico residents); and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents). Form 1040-X (amended individual income tax return) is included with Supplemental documents in this table.

[4] Includes Forms 940 (employer's Federal unemployment tax return); 940-EZ (employer's Federal unemployment tax return, short form); 940-PR (unemployment tax return for Puerto Rico residents); 941 (employer's quarterly tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941-PR/SS (employer's quarterly tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 943 (employer's tax return for agricultural employees); 943-PR/SS (employer's tax return for agricultural employees for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 944 (employer's annual tax return); 944-PR/SS (employer's annual tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 945 (tax return of withheld income tax from nonpayroll distributions). Also includes Forms 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT-1 (railroad retirement tax return). Forms 941-X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943-X (adjusted employer's tax return for agricultural employees); 944-X (adjusted employer's tax return); 945-X (adjusted annual return of withheld Federal income tax or claim for refund); and CT-1X (adjusted railroad retirement tax return) are included in Supplemental documents.

[5] Includes the Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706-GS(D) (generation-skipping transfer tax return for distributions); 706-GS(T) (generation-skipping transfer tax return for terminations); and 706-NA (estate and generation-skipping transfer tax return for nonresident aliens). The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a \$5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706 (estate and generation-skipping transfer tax return), due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. The law also provided a \$5-million exemption for the estates of 2011 decedents. These tax law changes significantly reduced the number of estate tax forms filed in Fiscal Year 2011 relative to other fiscal years.

[6] Includes Forms 720 (excise tax return); 730 (excise tax return for wagering); 11-C (occupational tax and registration for wagering return); 5330 (excise taxes related to employee retirement benefit plans return); and 2290 (heavy highway vehicle use tax return). Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Form 4720 (excise tax return of charities and other persons) is included with Tax-exempt organizations in this table.

The Calendar Year 2011 deadline to file Form 2290 was extended from August 31, 2011, to November 30, 2011, resulting in a significant decrease in the number of Forms 2290 filed in Fiscal Year 2011 and a corresponding increase in filings in Fiscal Year 2012, as many 2011 filings were delayed until Fiscal Year 2012.

[7] Includes the Form 990 series as follows: 990 (tax-exempt organization information return, long form); 990-EZ (tax-exempt organization information return, short form); 990-N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990-EZ); 990-PF (private foundation information return); and 990-T (tax-exempt organization unrelated business income tax return). Also includes Forms 4720 (excise tax return of charities and other persons); 5227 (split-interest trust information return); and 8872 (political organization report of contributions and expenditures). Tax collected on Form 990-T is combined with Business income taxes in other tables.

Table 2. Number of Returns Filed, by Type of Return, Fiscal Years 2011 and 2012—Continued**Footnotes—Continued**

[8] Includes Forms 941–X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943–X (adjusted employer's tax return for agricultural employees); 944–X (adjusted employer's tax return); 945–X (adjusted annual return of withheld Federal income tax or claim for refund); 1040–X (amended individual income tax return); 1041–A (information return of charitable contribution deductions by certain trusts); 1120–X (amended corporation income tax return); 4868 (automatic filing extension for individuals); 5558 (filing extension for certain employee retirement plan returns); 7004 (automatic filing extension for corporations); 8752 (required payment or refund for certain S corporations and partnerships); 8868 (automatic filing extension for tax-exempt organizations); and CT–1X (adjusted railroad retirement tax return).

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

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2012

State	Total returns [1]	C or other corporation income tax [2]	S corporation	Partnership	Individual income tax, employment taxes, and estate and trust income tax		
					Individual income tax [3]	Individual estimated income tax	Estate and trust income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total	237,345,350	2,262,961	4,579,669	3,625,937	146,243,886	22,157,924	3,061,029
Alabama	3,147,518	18,742	51,314	44,925	2,094,553	245,605	28,802
Alaska	596,965	3,561	8,779	7,133	369,581	45,271	4,072
Arizona	4,427,579	34,980	83,021	83,314	2,769,832	403,155	47,033
Arkansas	1,955,546	13,879	40,723	28,220	1,229,757	163,789	16,401
California	28,198,973	313,498	443,163	382,299	16,935,887	2,872,107	323,823
Colorado	4,248,818	37,269	117,873	94,712	2,397,815	419,330	44,099
Connecticut	2,937,407	25,828	28,550	67,420	1,741,293	364,462	50,346
Delaware	741,786	9,508	14,936	15,423	431,325	71,705	25,362
District of Columbia	567,560	11,257	5,531	9,936	326,925	57,911	6,698
Florida	16,473,456	189,888	598,789	213,806	9,736,734	1,377,056	174,298
Georgia	6,998,715	53,968	169,860	94,278	4,514,150	452,831	47,840
Hawaii	1,082,377	13,312	14,713	11,762	658,626	123,962	13,891
Idaho	1,140,121	8,245	27,246	25,667	666,204	100,735	9,094
Illinois	9,941,483	101,726	238,440	117,285	6,103,373	919,369	217,823
Indiana	4,573,728	22,527	90,995	55,116	3,007,521	450,207	38,335
Iowa	2,373,242	22,370	40,013	34,102	1,413,882	307,061	30,756
Kansas	2,194,379	17,659	34,227	34,498	1,323,293	244,195	27,523
Kentucky	2,848,123	16,306	51,276	40,393	1,870,180	251,583	25,891
Louisiana	3,188,326	27,746	55,315	57,305	2,014,306	240,945	20,375
Maine	1,078,155	7,929	23,000	12,104	629,281	108,643	29,340
Maryland	4,568,093	49,685	76,545	67,690	2,821,455	474,885	53,136
Massachusetts	5,435,185	54,431	89,935	69,028	3,232,880	625,550	147,179
Michigan	7,188,168	63,533	130,376	102,103	4,660,114	656,372	75,560
Minnesota	4,319,712	34,549	95,687	63,037	2,587,955	470,763	50,128
Mississippi	1,890,372	12,559	28,416	25,850	1,285,923	126,347	10,183
Missouri	4,400,636	34,345	66,854	67,020	2,716,941	424,270	76,890
Montana	909,370	9,981	24,379	18,118	477,712	100,291	7,988
Nebraska	1,465,428	12,690	30,957	23,384	867,235	157,268	18,560
Nevada	2,049,796	28,369	43,138	48,522	1,290,641	145,334	17,714
New Hampshire	1,099,721	10,633	11,940	16,154	674,965	124,581	15,785
New Jersey	7,373,699	76,321	124,368	161,408	4,319,000	770,159	145,798
New Mexico	1,423,252	9,382	20,978	19,212	912,132	135,928	10,894
New York	15,713,652	250,701	404,537	265,937	9,354,490	1,351,411	285,557
North Carolina	6,662,337	55,541	138,080	93,500	4,262,480	579,781	52,421
North Dakota	626,940	4,549	10,451	11,127	339,892	91,809	6,334
Ohio	8,406,967	58,964	120,429	116,390	5,491,871	766,371	131,367
Oklahoma	2,669,079	19,273	53,810	43,616	1,605,475	244,977	28,239
Oregon	3,019,820	21,640	55,080	47,134	1,748,979	340,675	35,716
Pennsylvania	9,735,275	61,345	162,292	131,804	6,172,712	1,064,621	165,515
Rhode Island	851,844	6,289	18,668	10,858	512,377	80,924	27,492
South Carolina	3,176,909	25,140	60,417	46,836	2,072,346	266,751	22,580
South Dakota	732,691	4,679	13,861	13,163	409,547	88,240	12,252
Tennessee	4,291,438	32,093	35,992	65,288	2,893,799	368,493	37,598
Texas	17,834,945	172,875	264,403	331,540	11,292,464	1,273,886	202,297
Utah	1,966,432	15,081	56,718	68,270	1,152,313	126,384	16,135
Vermont	567,858	4,938	11,475	6,729	318,780	75,001	7,453
Virginia	6,076,121	55,346	109,899	83,878	3,779,854	634,458	72,205
Washington	5,338,459	39,941	96,496	77,899	3,192,891	548,564	61,041
West Virginia	1,173,944	8,283	12,126	13,026	789,106	114,148	11,981
Wisconsin	4,373,339	34,626	59,935	60,977	2,767,383	481,562	63,160
Wyoming	530,793	5,079	12,744	13,224	291,332	53,477	6,794
Puerto Rico	587,958	426	219	606	285,377	65,366	220
Other [9]	2,170,860	39,476	700	12,911	1,428,947	109,355	3,055

Footnotes at end of table.

Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2012—Continued

State	Individual income tax, employment taxes, and estate and trust income tax—continued		Estate tax [5]	Gift tax	Excise taxes [6]	Tax-exempt organizations [7]	Supplemental documents [8]
	Estate and trust estimated income tax	Employment taxes [4]					
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
United States, total	400,464	29,589,891	26,859	249,451	1,196,789	1,367,434	22,583,056
Alabama	3,442	357,969	156	2,509	19,804	16,062	263,635
Alaska	639	78,566	38	435	3,582	4,417	70,891
Arizona	5,084	500,740	248	3,381	11,216	19,081	466,494
Arkansas	2,550	247,812	103	1,195	17,701	10,576	182,840
California	48,403	3,503,293	3,869	25,107	96,991	147,210	3,103,323
Colorado	6,875	618,274	355	4,822	15,909	23,659	467,826
Connecticut	8,843	350,778	625	6,970	7,240	18,179	266,873
Delaware	2,413	89,958	72	796	2,270	6,431	71,587
District of Columbia	1,545	69,678	102	743	344	10,797	66,093
Florida	23,786	2,035,166	1,723	22,214	52,501	60,042	1,987,453
Georgia	8,067	844,580	485	5,359	34,233	30,094	742,970
Hawaii	2,499	120,345	163	1,371	1,769	6,029	113,935
Idaho	1,084	180,467	81	804	11,087	6,461	102,946
Illinois	21,425	1,294,205	1,266	10,523	65,588	56,688	793,772
Indiana	4,903	535,150	308	4,143	35,112	29,458	299,953
Iowa	2,815	319,092	502	2,097	36,094	24,607	139,851
Kansas	4,452	296,366	238	2,376	24,631	14,285	170,636
Kentucky	3,422	336,302	244	2,482	20,446	14,554	215,044
Louisiana	3,636	400,416	168	2,097	18,987	14,155	332,875
Maine	1,745	161,051	123	1,206	6,561	8,786	88,386
Maryland	9,997	522,186	617	5,343	11,799	25,382	449,373
Massachusetts	18,070	685,100	905	9,387	12,388	38,688	451,644
Michigan	9,458	872,691	409	5,622	33,719	38,581	539,630
Minnesota	5,290	599,497	672	6,368	47,881	31,699	326,186
Mississippi	1,751	216,447	87	1,022	14,200	8,462	159,125
Missouri	7,826	601,999	360	4,626	33,728	31,099	334,678
Montana	995	156,506	76	1,015	11,219	8,110	92,980
Nebraska	1,942	213,015	177	1,768	28,128	11,105	99,199
Nevada	2,975	218,067	125	1,620	8,476	6,787	238,028
New Hampshire	2,725	141,282	117	1,505	4,926	7,624	87,484
New Jersey	15,334	966,079	1,449	9,741	22,239	91,290	670,513
New Mexico	1,721	168,858	97	1,015	8,201	7,913	126,921
New York	28,216	2,250,119	3,076	21,377	30,286	87,159	1,380,786
North Carolina	6,960	826,309	618	5,673	34,941	35,875	570,158
North Dakota	628	96,856	60	986	19,115	4,658	40,475
Ohio	11,862	940,229	758	8,099	45,169	55,550	659,908
Oklahoma	4,827	356,900	290	1,923	15,671	14,435	279,643
Oregon	4,004	425,451	340	3,075	15,439	20,690	301,597
Pennsylvania	15,358	1,141,178	1,076	11,024	45,337	68,106	694,907
Rhode Island	1,956	114,393	163	918	2,152	8,960	66,694
South Carolina	3,039	377,486	261	2,850	16,080	14,620	268,503
South Dakota	1,672	108,984	101	986	19,144	5,553	54,509
Tennessee	7,154	462,841	438	3,400	23,915	20,888	339,539
Texas	47,010	1,978,195	1,288	17,722	94,942	78,109	2,080,214
Utah	1,849	290,509	103	981	8,939	8,609	220,541
Vermont	1,322	88,542	52	610	3,320	5,559	44,077
Virginia	9,693	722,852	593	6,214	21,977	34,534	544,618
Washington	8,712	700,183	480	5,552	28,391	29,302	549,007
West Virginia	1,243	136,682	56	710	6,969	8,166	71,448
Wisconsin	7,578	548,483	517	5,566	32,561	32,256	278,735
Wyoming	1,235	85,817	60	887	5,578	3,941	50,625
Puerto Rico	49	213,140	32	46	52	1,120	21,305
Other [9]	385	22,807	537	1,190	7,841	1,033	542,623

Footnotes at end of table.

Table 3. Number of Returns Filed, by Type of Return and State, Fiscal Year 2012—Continued**Footnotes**

- [1] Excludes information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1); tax-exempt bond returns (Forms 8038, 8038-B, 8038-CP, 8038-G, 8038-GC, 8038-T, 8038-TC, and 8328); and employee retirement benefit plan returns (Forms 5500, 5500-EZ, and 5500-SF). See Table 13 for information on tax-exempt bond returns. See Tables 13 and 23 for information on employee retirement benefit plans.
- [2] Includes Form 1066 (real estate mortgage investment conduit income tax return) and the Form 1120 series as follows: 1120 (corporation income tax return); 1120-C (cooperative association income tax return); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-FSC (foreign sales corporation income tax return); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-POL (income tax return for certain political organizations); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Form 1120-X (amended corporation income tax return) is included with Supplemental documents in this table.
- Excludes Form 990-T (tax-exempt organization unrelated business income tax return), which is included under Tax-exempt organizations in this table, although the tax reported on these returns is combined with Business income taxes in other tables.
- [3] Includes the Form 1040 series as follows: 1040 (individual income tax return); 1040-A (individual income tax return, short form); 1040-C (income tax return for departing aliens); 1040-EZ (individual income tax return for single and joint filers with no dependents); 1040-NR (nonresident alien income tax return); 1040NR-EZ (income tax return for certain nonresident aliens with no dependents); 1040-PR (self-employment income tax return for Puerto Rico residents); and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents). Form 1040-X (amended individual income tax return) is included with Supplemental documents in this table.
- [4] Includes Forms 940 (employer's Federal unemployment tax return); 940-EZ (employer's Federal unemployment tax return, short form); 940-PR (unemployment tax return for Puerto Rico residents); 941 (employer's quarterly tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941-PR/SS (employer's quarterly tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 943 (employer's tax return for agricultural employees); 943-PR/SS (employer's tax return for agricultural employees for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); 944 (employer's annual tax return); 944-PR/SS (employer's annual tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 945 (tax return of withheld income tax from nonpayroll distributions). Also includes Forms 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT-1 (railroad retirement tax return). Forms 941-X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943-X (adjusted employer's tax return for agricultural employees); 944-X (adjusted employer's tax return); 945-X (adjusted annual return of withheld Federal income tax or claim for refund); and CT-1X (adjusted railroad retirement tax return) are included in Supplemental documents.
- [5] Includes the Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706-GS(D) (generation-skipping transfer tax return for distributions); 706-GS(T) (generation-skipping transfer tax return for terminations); and 706-NA (estate and generation-skipping transfer tax return for nonresident aliens). The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a \$5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706 (estate and generation-skipping transfer tax return), due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. The law also provided a \$5-million exemption for the estates of 2011 decedents. These tax law changes significantly reduced the number of estate tax forms filed in Fiscal Year 2011 relative to other fiscal years.
- [6] Includes Forms 720 (excise tax return); 730 (excise tax return for wagering); 11-C (occupational tax and registration for wagering return); 5330 (excise taxes related to employee retirement benefit plans return); and 2290 (heavy highway vehicle use tax return). Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Form 4720 (excise tax return of charities and other persons) is included with Tax-exempt organizations in this table.
- The Calendar Year 2011 deadline to file Form 2290 was extended from August 31, 2011, to November 30, 2011, resulting in a significant decrease in the number of Forms 2290 filed in Fiscal Year 2011 and a corresponding increase in filings in Fiscal Year 2012, as many 2011 filings were delayed until Fiscal Year 2012.
- [7] Includes the Form 990 series as follows: 990 (tax-exempt organization information return, long form); 990-EZ (tax-exempt organization information return, short form); 990-N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990-EZ); 990-PF (private foundation information return); and 990-T (tax-exempt organization unrelated business income tax return). Also includes Forms 4720 (excise tax return of charities and other persons); 5227 (split-interest trust information return); and 8872 (political organization report of contributions and expenditures). Tax collected on Form 990-T is combined with Business income taxes in other tables.
- [8] Includes Forms 941-X (adjusted employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943-X (adjusted employer's tax return for agricultural employees); 944-X (adjusted employer's tax return); 945-X (adjusted annual return of withheld Federal income tax or claim for refund); 1040-X (amended individual income tax return); 1041-A (information return of charitable contribution deductions by certain trusts); 1120-X (amended corporation income tax return); 4868 (automatic filing extension for individuals); 5558 (filing extension for certain employee retirement plan returns); 7004 (automatic filing extension for corporations); 8752 (required payment or refund for certain S corporations and partnerships); 8868 (automatic filing extension for tax-exempt organizations); and CT-1X (adjusted railroad retirement tax return).
- [9] Includes U.S. Territories other than Puerto Rico, U.S. Armed Service members overseas, and international.

NOTES:

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2012

State	Total returns [1]	C or other corporation income tax [2]	S corporation	Partnership	Individual income tax	
					Total individual returns [3]	Online
						Total filed [4]
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	144,619,628	962,829	2,860,522	2,262,851	118,401,243	43,261,754
Alabama	2,020,013	9,446	36,458	32,099	1,745,440	562,478
Alaska	356,757	1,447	5,990	4,474	297,609	148,344
Arizona	2,671,274	9,118	38,955	37,926	2,186,414	867,641
Arkansas	1,205,718	6,066	24,143	15,452	1,035,019	303,559
California	16,846,679	132,659	279,088	227,782	13,281,536	3,744,663
Colorado	2,425,986	12,988	71,261	55,601	1,905,028	814,957
Connecticut	1,754,367	9,187	15,422	34,399	1,412,341	495,146
Delaware	445,177	3,601	7,609	8,605	348,364	147,069
District of Columbia	326,290	1,993	2,909	5,181	246,874	114,054
Florida	9,984,558	64,555	345,145	129,669	7,878,034	3,517,707
Georgia	4,547,664	22,086	109,678	61,124	3,750,993	1,561,310
Hawaii	566,309	3,284	5,877	4,650	485,395	176,098
Idaho	678,261	3,341	19,748	18,636	562,897	214,343
Illinois	5,943,636	31,434	112,702	55,956	4,931,475	1,725,051
Indiana	2,901,575	7,325	42,580	27,194	2,563,127	988,643
Iowa	1,434,586	10,391	25,985	21,170	1,263,077	353,078
Kansas	1,366,861	10,260	24,882	24,677	1,150,218	406,866
Kentucky	1,803,325	5,019	23,101	18,880	1,598,975	494,110
Louisiana	1,947,091	10,999	31,199	32,862	1,646,545	589,594
Maine	611,649	2,807	13,161	7,423	495,093	207,918
Maryland	2,638,960	14,246	41,500	36,933	2,165,636	871,498
Massachusetts	3,508,945	31,568	79,021	58,895	2,633,378	915,155
Michigan	4,628,589	37,691	99,406	77,928	3,908,932	1,373,342
Minnesota	2,677,593	13,896	69,253	44,859	2,186,982	766,021
Mississippi	1,215,524	5,313	16,938	15,649	1,081,524	355,055
Missouri	2,656,460	13,773	39,902	37,895	2,265,321	801,214
Montana	506,541	4,676	17,156	12,755	403,562	133,797
Nebraska	897,294	6,698	20,894	15,087	763,751	263,345
Nevada	1,291,715	11,943	27,709	30,412	1,038,670	412,521
New Hampshire	661,890	4,617	7,628	9,920	547,585	258,676
New Jersey	4,500,767	31,974	73,037	117,396	3,448,740	925,751
New Mexico	848,163	3,509	11,322	10,476	736,868	289,409
New York	10,364,144	157,269	342,155	223,345	7,872,081	1,997,793
North Carolina	4,045,561	15,221	61,279	41,554	3,507,581	1,300,946
North Dakota	341,476	2,429	7,427	7,874	293,268	91,223
Ohio	5,347,389	26,275	69,466	70,260	4,552,041	1,858,207
Oklahoma	1,623,930	7,571	29,688	23,530	1,353,454	474,810
Oregon	1,778,548	9,792	35,791	28,582	1,408,694	597,838
Pennsylvania	5,901,448	25,804	99,379	82,733	4,950,710	1,902,333
Rhode Island	557,922	2,920	12,716	7,530	425,440	128,231
South Carolina	2,029,106	10,628	41,318	28,308	1,747,788	608,399
South Dakota	426,011	2,710	11,006	10,130	357,254	134,128
Tennessee	2,730,393	12,713	20,151	36,878	2,416,329	972,199
Texas	10,935,771	74,106	154,871	193,724	9,026,503	3,816,683
Utah	1,245,254	6,472	40,656	47,947	970,191	404,250
Vermont	311,089	1,904	6,635	4,013	256,986	104,989
Virginia	3,614,490	17,034	57,943	43,521	3,043,341	1,403,440
Washington	3,158,366	16,419	63,545	49,487	2,587,500	1,272,866
West Virginia	710,813	2,463	5,498	5,578	650,463	255,474
Wisconsin	2,765,776	21,896	51,383	51,391	2,339,169	862,996
Wyoming	307,690	2,519	9,644	9,659	247,214	106,349
Puerto Rico	52,767	65	84	233	47,496	6,013
Other [10]	501,467	8,709	228	4,609	382,337	164,174

Footnotes at end of table.

Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2012—Continued

State	Individual income tax—continued		Estate and trust income tax	Employment taxes [7]	Tax-exempt organizations [8]	Supplemental documents [9]
	Online—continued	Practitioner filed [6]				
	Free File [5]					
	(7)	(8)	(9)	(10)	(11)	(12)
United States, total	3,133,750	75,139,489	2,068,491	8,052,997	683,157	9,327,538
Alabama	46,122	1,182,962	20,370	52,581	9,853	113,766
Alaska	7,218	149,265	2,428	8,317	2,394	34,098
Arizona	56,443	1,318,773	31,178	161,379	9,577	196,727
Arkansas	28,167	731,460	11,391	23,447	6,548	83,652
California	235,885	9,536,873	192,929	1,421,884	58,245	1,252,556
Colorado	53,452	1,090,071	26,700	140,149	12,699	201,560
Connecticut	30,149	917,195	29,879	142,808	8,826	101,505
Delaware	10,228	201,295	17,367	28,411	2,521	28,699
District of Columbia	7,201	132,820	3,255	37,865	5,418	22,795
Florida	167,967	4,360,327	119,800	564,275	30,523	852,557
Georgia	107,269	2,189,683	29,819	227,286	16,783	329,895
Hawaii	11,962	309,297	7,736	24,879	3,110	31,378
Idaho	18,352	348,554	5,937	13,510	4,037	50,155
Illinois	128,712	3,206,424	162,898	323,855	27,106	298,210
Indiana	102,757	1,574,484	21,677	109,638	14,624	115,410
Iowa	27,015	909,999	16,054	22,930	17,111	57,868
Kansas	30,809	743,352	18,855	50,858	9,078	78,033
Kentucky	45,749	1,104,865	17,154	52,233	8,137	79,826
Louisiana	41,587	1,056,951	13,126	65,436	8,086	138,838
Maine	14,777	287,175	6,649	43,751	5,082	37,683
Maryland	54,397	1,294,138	28,894	175,482	13,437	162,832
Massachusetts	61,409	1,718,223	116,468	348,046	17,598	223,971
Michigan	117,420	2,535,590	51,188	191,157	22,410	239,877
Minnesota	66,423	1,420,961	32,759	166,215	17,128	146,501
Mississippi	30,825	726,469	7,182	17,335	5,075	66,508
Missouri	70,441	1,464,107	38,870	105,774	17,555	137,370
Montana	10,883	269,765	5,359	9,901	5,506	47,626
Nebraska	20,352	500,406	12,807	25,030	6,798	46,229
Nevada	20,187	626,149	11,107	66,553	3,810	101,511
New Hampshire	14,490	288,909	9,535	45,051	3,980	33,574
New Jersey	52,674	2,522,989	110,369	428,320	16,403	274,528
New Mexico	21,758	447,459	6,828	20,738	4,637	53,785
New York	181,792	5,874,288	235,073	770,913	43,596	719,712
North Carolina	100,372	2,206,635	30,941	172,706	17,848	198,431
North Dakota	9,580	202,045	4,042	6,665	2,893	16,878
Ohio	160,237	2,693,834	93,095	245,034	30,795	260,423
Oklahoma	46,901	878,644	18,053	56,152	8,212	127,270
Oregon	50,729	810,856	24,280	117,875	11,410	142,124
Pennsylvania	140,311	3,048,377	112,253	345,368	30,853	254,348
Rhode Island	10,009	297,209	21,130	59,485	2,763	25,938
South Carolina	57,569	1,139,389	14,009	67,511	8,379	111,165
South Dakota	9,066	223,126	9,302	5,475	3,761	26,373
Tennessee	71,435	1,444,130	24,729	82,929	11,486	125,178
Texas	214,392	5,209,820	135,112	465,042	45,009	841,404
Utah	24,211	565,941	10,418	56,709	4,641	108,220
Vermont	10,288	151,997	4,437	19,210	3,109	14,795
Virginia	123,545	1,639,901	47,847	183,963	18,982	201,859
Washington	77,982	1,314,634	40,430	145,278	17,452	238,255
West Virginia	23,984	394,989	8,451	10,469	4,816	23,075
Wisconsin	75,262	1,476,173	42,536	110,361	19,950	129,090
Wyoming	5,391	140,865	4,909	5,527	2,523	25,695
Puerto Rico	2,555	41,483	57	2,492	277	2,063
Other [10]	25,059	218,163	819	8,739	307	95,719

Footnotes at end of table.

Table 4. Number of Returns Filed Electronically, by Type of Return and State, Fiscal Year 2012—Continued**Footnotes**

- [1] Excludes returns that do not have the option of filing electronically; information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1); tax-exempt bond returns (Forms 8038, 8038-B, 8038-CP, 8038-G, 8038-GC, 8038-T, 8038-TC, and 8328); and employee retirement benefit plan returns (Forms 5500, 5500-EZ, and 5500-SF). Also excludes excise tax returns (Forms 720 and 2290), which together totaled 226,401.
- [2] Includes Forms 1120 (corporation income tax return); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); and 1120-POL (income tax return for certain political organizations).
- [3] Includes the Form 1040 series as follows: 1040 (individual income tax return); 1040-A (individual income tax return, short form); 1040-EZ (individual income tax return for single and joint filers with no dependents); 1040-PR (self-employment income tax return for Puerto Rico residents); and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents).
- [4] Online e-filing is an option that allows taxpayers to prepare and file tax returns using a personal computer. Online returns can be filed through one of two processes: taxpayers either complete a tax return on a Web site without downloading any software, or taxpayers purchase and load software onto their personal computers, prepare their returns, and transmit them to the IRS through an online filing company.
- [5] Includes two Free File income tax preparation and electronic filing options: (1) All taxpayers could use Free File Fillable Forms, an electronic version of paper returns that performs simple mathematical calculations; and (2) Taxpayers with adjusted gross incomes of \$57,000 or less could prepare and file their taxes using commercial online software provided through a partnership between the Internal Revenue Service and Free File Alliance, LLC, a group of private sector tax software companies. The Free File Fillable Forms and Free File commercial online software were both available through IRS.gov.
- [6] Includes cases in which a taxpayer transmitted the return via an authorized e-file provider, who was, in most cases, also the preparer of the return.
- [7] Includes Forms 940 (employer's Federal unemployment tax return); 941 (employer's quarterly tax return for income and Social Security taxes withheld for other than household and agricultural employees); 941-PR/SS (employer's quarterly tax return for Puerto Rico residents, or for U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands residents); and 944 (employer's annual tax return).
- [8] Includes the Form 990 series as follows: 990 (tax-exempt organization information return, long form); 990-EZ (tax-exempt organization information return, short form); 990-N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990-EZ); 990-PF (private foundation information return); and Form 8872 (political organization report of contributions and expenditures).
- [9] Includes Forms 4868 (automatic filing extension for individuals); 7004 (automatic filing extension for corporations); and 8868 (automatic filing extension for tax-exempt organizations).
- [10] Includes U.S. Territories other than Puerto Rico, U.S. Armed Service members overseas, and international.

NOTES:

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

E-file mandates on tax return preparers expanded under the Worker, Homeowner, and Business Assistance Act of 2009. Beginning with Calendar Year 2011, the act requires preparers who expected to file more than 100 individual and estate and trust income tax returns to file them electronically. This filing threshold dropped to more than 10 returns beginning in Calendar Year 2012. This includes Forms 1040 (individual income tax return); 1040-A (individual income tax return, short form); and 1040-EZ (individual income tax return for single and joint filers with no dependents) along with Form 1041 (estate and trust income tax return).

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2012

[Money amounts are in thousands of dollars]

State	Total Internal Revenue collections [1]	Business income taxes [2]	Individual income tax, employment taxes, and estate and trust income tax		
			Total	Individual income tax withheld and FICA tax [3]	Individual income tax payments and SECA tax [3]
	(1)	(2)	(3)	(4)	(5)
United States, total [6]	2,524,320,134	281,461,580	2,172,233,368	1,766,707,459	377,159,655
Alabama	20,882,949	1,102,865	19,500,672	15,935,745	3,421,392
Alaska	4,898,780	191,060	4,640,174	3,627,784	973,966
Arizona	34,850,436	3,408,925	29,968,613	24,120,520	5,591,095
Arkansas	25,299,832	6,304,626	18,266,603	15,850,140	2,220,259
California	292,563,574	37,181,407	249,275,399	193,489,939	53,847,867
Colorado	41,252,701	3,968,517	36,113,422	28,746,005	7,133,914
Connecticut	47,262,702	5,431,458	40,875,490	31,136,220	8,605,180
Delaware	21,835,412	7,087,549	14,602,084	11,843,079	814,550
District of Columbia	20,747,652	392,793	20,139,227	18,071,586	1,593,094
Florida	122,249,635	6,609,351	113,188,889	84,625,661	26,693,831
Georgia	65,498,308	8,417,016	53,987,301	45,451,090	8,086,767
Hawaii	6,511,578	398,720	5,922,132	4,589,302	1,277,012
Idaho	7,622,490	367,921	7,169,783	5,809,947	1,319,463
Illinois	124,431,227	17,337,038	103,654,375	85,477,425	16,230,568
Indiana	51,238,512	3,228,361	47,141,859	41,729,217	5,067,980
Iowa	18,753,596	1,315,070	17,210,796	13,910,218	3,187,146
Kansas	21,904,615	1,980,014	18,510,512	14,674,643	3,418,050
Kentucky	25,085,813	1,764,142	22,986,776	20,052,678	2,784,643
Louisiana	34,811,072	1,102,737	33,187,181	28,255,085	4,763,369
Maine	6,229,189	509,393	5,542,557	4,483,737	1,016,109
Maryland	48,107,002	2,626,431	45,186,159	37,173,605	7,554,523
Massachusetts	79,826,976	5,278,522	73,152,183	59,987,166	12,534,384
Michigan	59,210,158	3,841,440	54,959,506	46,517,501	7,897,906
Minnesota	78,685,402	16,121,685	61,712,466	54,919,714	6,331,399
Mississippi	10,458,549	609,194	9,693,914	7,810,953	1,823,016
Missouri	48,413,247	6,082,671	40,997,767	35,175,623	5,345,670
Montana	4,383,727	156,415	4,147,270	3,017,178	1,083,764
Nebraska	19,795,254	6,149,516	13,470,845	10,247,833	2,099,807
Nevada	13,727,425	757,762	12,737,643	8,957,421	3,453,760
New Hampshire	8,807,691	205,260	8,370,452	6,580,896	1,584,502
New Jersey	111,377,490	17,459,934	92,020,482	77,462,391	13,683,777
New Mexico	7,866,206	150,549	7,494,229	5,866,861	1,553,294
New York	201,167,954	21,269,375	176,938,759	139,488,647	35,251,354
North Carolina	61,600,064	6,411,802	54,747,979	47,172,144	7,226,996
North Dakota	5,664,860	301,698	5,268,271	3,636,571	1,602,465
Ohio	111,094,276	11,604,143	95,611,009	85,125,967	9,664,811
Oklahoma	27,087,264	3,982,694	19,789,170	15,019,010	4,234,107
Oregon	22,716,602	1,229,807	21,131,294	17,382,843	3,588,784
Pennsylvania	108,961,515	11,222,657	94,747,441	80,518,489	13,149,361
Rhode Island	10,992,338	2,327,315	8,607,614	7,411,206	1,080,681
South Carolina	18,557,166	1,211,525	17,064,717	13,797,123	3,148,055
South Dakota	5,136,249	235,097	4,840,542	3,129,577	1,288,439
Tennessee	47,010,303	3,903,991	41,867,521	36,338,757	5,225,000
Texas	219,459,878	27,984,282	171,880,172	132,087,011	36,705,817
Utah	15,642,129	1,809,517	13,227,408	10,857,887	2,277,488
Vermont	3,524,887	255,605	3,236,379	2,530,510	678,201
Virginia	64,297,400	9,994,059	53,807,056	43,277,580	9,712,988
Washington	52,443,862	3,793,982	47,600,345	38,528,725	8,755,981
West Virginia	6,498,502	315,740	6,082,100	4,807,532	1,233,001
Wisconsin	41,498,033	4,641,696	35,757,347	29,932,868	5,380,812
Wyoming	3,828,379	175,685	3,495,933	2,197,419	1,202,491
U.S. Armed Service members overseas and Territories other than Puerto Rico	576,910	1,924	572,069	446,893	122,174
Puerto Rico	3,067,234	107,880	2,958,142	2,609,051	318,089
International	8,432,694	1,194,954	6,839,828	3,723,937	3,102,952
Undistributed [7]	472,435	-52,190	335,511	1,090,549	-782,449

Footnotes at end of table.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2012—Continued

[Money amounts are in thousands of dollars]

State	Individual income tax, employment taxes, and estate and trust income tax—continued			Estate tax [4]	Gift tax [5]	Excise taxes [1]
	Unemployment insurance tax	Railroad retirement tax	Estate and trust income tax			
	(6)	(7)	(8)	(9)	(10)	(11)
United States, total [6]	7,158,984	4,773,045	16,434,225	12,340,655	2,109,594	56,174,937
Alabama	63,566	2,581	77,388	87,910	4,260	187,242
Alaska	12,374	1,605	24,445	16,171	50	51,325
Arizona	111,389	1,425	144,184	126,169	12,195	1,334,534
Arkansas	146,125	2,644	47,435	59,501	22,348	646,754
California	836,886	9,149	1,091,558	2,590,966	288,017	3,227,785
Colorado	92,870	12,522	128,111	109,494	61,114	1,000,154
Connecticut	88,856	4,540	1,040,694	183,075	82,101	690,578
Delaware	33,191	185	1,911,079	74,235	4,988	66,556
District of Columbia	14,703	428,574	31,270	175,515	16,678	23,439
Florida	446,057	708,670	714,670	1,328,691	216,113	906,591
Georgia	249,359	1,745	198,340	302,396	35,593	2,756,002
Hawaii	17,187	0	38,631	29,547	9,057	152,122
Idaho	24,307	901	15,165	45,154	4,624	35,008
Illinois	348,382	199,896	1,398,104	629,052	49,208	2,761,554
Indiana	164,716	30,117	149,829	88,916	10,218	769,158
Iowa	49,411	5,128	58,893	53,897	3,537	170,296
Kansas	63,959	282,766	71,094	54,430	7,443	1,352,216
Kentucky	87,766	10,091	51,598	82,498	11,470	240,927
Louisiana	67,142	3,924	97,661	143,915	10,435	366,804
Maine	17,205	2,532	22,974	33,137	3,505	140,597
Maryland	102,486	12,914	342,631	161,783	72,073	60,556
Massachusetts	159,330	57,442	413,861	252,550	69,310	1,074,411
Michigan	313,303	57,912	172,884	178,349	41,323	189,540
Minnesota	213,815	91,354	156,184	148,381	29,765	673,105
Mississippi	30,889	1,020	28,036	30,926	2,542	121,973
Missouri	157,726	70,306	248,442	202,455	60,308	1,070,046
Montana	13,463	17,946	14,919	21,630	608	57,804
Nebraska	33,141	1,050,719	39,345	62,375	8,777	103,741
Nevada	56,429	85	269,948	81,601	20,496	129,923
New Hampshire	21,335	89	183,630	25,291	424	206,264
New Jersey	247,852	126,863	499,599	268,027	69,545	1,559,502
New Mexico	22,504	167	51,403	40,700	6,307	174,421
New York	441,438	310,280	1,447,040	1,366,905	246,247	1,346,668
North Carolina	214,228	5,717	128,894	148,714	11,664	279,905
North Dakota	13,378	4,883	10,974	41,437	3,528	49,926
Ohio	323,932	20,802	475,497	359,780	82,730	3,436,614
Oklahoma	63,749	2,241	470,063	92,162	8,403	3,214,835
Oregon	62,875	568	96,224	81,962	17,957	255,582
Pennsylvania	331,699	54,268	693,624	385,782	94,034	2,511,601
Rhode Island	33,758	8	81,961	40,149	4,933	12,327
South Carolina	56,146	1,139	62,254	74,159	3,354	203,411
South Dakota	12,108	303	410,115	15,662	6,921	38,027
Tennessee	162,622	2,136	139,006	88,472	7,874	1,142,445
Texas	492,922	686,324	1,908,098	796,227	180,060	18,619,137
Utah	48,141	3,923	39,969	44,532	9,724	550,948
Vermont	8,825	2,178	16,665	9,449	365	23,089
Virginia	184,563	466,496	165,429	258,326	29,370	208,589
Washington	147,180	8,275	160,184	116,240	108,833	824,462
West Virginia	17,691	397	23,479	25,478	6,304	68,880
Wisconsin	161,732	5,516	276,419	521,079	25,949	551,962
Wyoming	7,894	628	87,501	76,186	9,013	71,562
U.S. Armed Service members overseas and Territories other than Puerto Rico	2,117	5	880	0	9	2,908
Puerto Rico	30,761	1	240	771	8	433
International	6,109	1,122	5,708	43,483	6,960	347,469
Undistributed [7]	27,392	23	-4	64,963	10,922	113,229

Footnotes at end of table.

Table 5. Gross Collections, by Type of Tax and State, Fiscal Year 2012—Continued**Footnotes**

- [1] Excludes excise taxes paid to the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.
- [2] Includes taxes on corporation income (Form 1120 series) and unrelated business income from tax-exempt organizations (Form 990-T).
- [3] Collections of individual income tax are not reported by taxpayers separately from Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages (under the Federal Insurance Contributions Act or FICA) and taxes on self-employment income (under the Self-Employment Insurance Contributions Act or SECA). Thus, while aggregate figures that show these amounts separately are presented in Table 1, separate amounts are not available by State.
- [4] The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a \$5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706 (estate and generation-skipping transfer tax return), due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. The law also provided a \$5-million exemption for the estates of 2011 decedents. These tax law changes significantly reduced estate tax gross collections in Fiscal Year 2011 relative to other fiscal years.
- [5] Gifts are taxed based on the Federal tax law in effect for the year in which they are given, and the majority of gifts given in one year are reported to the IRS in the following year. Gift tax collections decreased significantly between Fiscal Years 2011 and 2012, which reflect a decrease in the amount of gift tax collections on gifts made primarily in 2010 and 2011. Gifts made during Calendar Year 2010 were subject to a maximum unified credit amount of \$330,800; gifts made during Calendar Year 2011 were subject to a maximum unified credit amount of \$1,730,800. The unified credit, which applies to the sum of both taxable gifts made during life and a decedent's estate, is a credit to offset the amount of transfer tax that would be assessed on assets below the applicable exclusion amount.
- [6] Excludes credits to taxpayer accounts.
- [7] Includes tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts. Undistributed amounts may be negative when adjustments to taxpayer accounts have not been completed.

NOTES:

Detail may not add to totals because of rounding.

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass through any profits or losses to the underlying owners who include these profits or losses on their income tax returns.

This table shows gross collections. Gross collections less refunds equals net collections. See Table 1 for refunds and net collections.

Collection and refund data may not be comparable for a given fiscal year because payments made in prior years may be refunded in the current fiscal year. Adjustments to prior-year refunds made in Fiscal Year 2012 may result in negative amounts when such adjustments exceed current-year collections. See Table 8 for refund data.

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

SOURCE: Chief Financial Officer, Financial Management.

Table 6. Gross Collections, by Type of Tax, Fiscal Years 1960–2012

[Money amounts are in thousands of dollars]

Fiscal year	Total Internal Revenue collections [1]	Income taxes				Employment taxes [4]	Estate tax	Gift tax	Excise taxes [5]
		Total	Business income taxes [2]	Individual income tax [3]	Estate and trust income tax [3]				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1960	91,774,803	67,125,126	22,179,414	44,945,711	n.a.	11,158,589	1,439,259	187,089	11,864,741
1961	94,401,086	67,917,941	21,764,940	46,153,001	n.a.	12,502,451	1,745,480	170,912	12,064,302
1962	99,440,839	71,945,305	21,295,711	50,649,594	n.a.	12,708,171	1,796,227	238,960	12,752,176
1963	105,925,395	75,323,714	22,336,134	52,987,581	n.a.	15,004,486	1,971,614	215,843	13,409,737
1964	112,260,257	78,891,218	24,300,863	54,590,354	n.a.	17,002,504	2,110,992	305,312	13,950,232
1965	114,434,634	79,792,016	26,131,334	53,660,683	n.a.	17,104,306	2,454,332	291,201	14,792,779
1966	128,879,961	92,131,794	30,834,243	61,297,552	n.a.	20,256,133	2,646,968	446,954	13,398,112
1967	148,374,815	104,288,420	34,917,825	69,370,595	n.a.	26,958,241	2,728,580	285,826	14,113,748
1968	153,636,838	108,148,565	29,896,520	78,252,045	n.a.	28,085,898	2,710,254	371,725	14,320,396
1969	187,919,560	135,778,052	38,337,646	97,440,406	n.a.	33,068,657	3,136,691	393,373	15,542,787
1970	195,722,096	138,688,568	35,036,983	103,651,585	n.a.	37,449,188	3,241,321	438,755	15,904,264
1971	191,647,198	131,072,374	30,319,953	100,752,421	n.a.	39,918,690	3,352,641	431,642	16,871,851
1972	209,855,737	143,804,732	34,925,546	108,879,186	n.a.	43,714,001	5,126,522	363,447	16,847,036
1973	237,787,204	164,157,315	39,045,309	125,112,006	n.a.	52,081,709	4,338,924	636,938	16,572,318
1974	268,952,254	184,648,094	41,744,444	142,903,650	n.a.	62,093,632	4,659,825	440,849	17,109,853
1975	293,822,726	202,146,097	45,746,660	156,399,437	n.a.	70,140,809	4,312,657	375,421	16,847,741
1976	302,519,792	205,751,753	46,782,956	158,968,797	n.a.	74,202,853	4,875,735	431,730	17,257,720
1976 [6]	75,462,780	49,567,484	9,808,905	39,758,579	n.a.	19,892,041	1,367,935	117,312	4,518,008
1977	358,139,417	246,805,067	60,049,804	186,755,263	n.a.	86,076,316	5,649,460	1,775,866	17,832,707
1978	399,776,389	278,438,289	65,380,145	213,058,144	n.a.	97,291,653	5,242,080	139,419	18,664,949
1979	460,412,185	322,993,733	71,447,876	251,545,857	n.a.	112,849,874	5,344,176	174,899	19,049,504
1980	519,375,273	359,927,392	72,379,610	287,547,782	n.a.	128,330,480	6,282,247	216,134	24,619,021
1981	606,799,103	406,583,302	73,733,156	332,850,146	n.a.	152,885,816	6,694,641	215,745	40,419,598
1982	632,240,506	418,599,768	65,990,832	352,608,936	n.a.	168,717,936	8,035,335	108,038	36,779,428
1983	627,246,793	411,407,523	61,779,556	349,627,967	n.a.	173,847,854	6,077,202	148,675	35,765,538
1984	680,475,229	437,071,049	74,179,370	362,891,679	n.a.	199,210,028	6,024,985	151,682	38,017,486
1985	742,871,541	474,072,327	77,412,769	396,659,558	n.a.	225,214,568	6,303,418	276,284	37,004,944
1986	782,251,812	497,406,391	80,441,620	416,964,771	n.a.	243,978,380	6,814,417	380,538	33,672,086
1987	886,290,590	568,311,471	102,858,985	465,452,486	n.a.	277,000,469	7,164,681	502,989	33,310,980
1988	935,106,594	583,349,120	109,682,554	473,666,566	n.a.	318,038,990	7,348,679	435,766	25,934,040
1989	1,013,322,133	632,746,069	117,014,564	515,731,504	n.a.	345,625,586	8,143,689	829,457	25,977,333
1990	1,056,365,652	650,244,947	110,016,539	540,228,408	n.a.	367,219,321	9,633,736	2,128,202	27,139,445
1991	1,086,851,401	660,475,445	113,598,569	546,876,876	n.a.	384,451,220	10,237,247	1,235,894	30,451,596
1992	1,120,799,558	675,673,952	117,950,796	557,723,156	n.a.	400,080,904	10,411,450	1,067,666	33,565,587
1993	1,176,685,625	717,321,668	131,547,509	585,774,159	n.a.	411,510,516	11,433,495	1,457,470	34,962,476
1994	1,276,466,776	774,023,837	154,204,684	619,819,153	n.a.	443,831,352	13,500,126	2,106,667	43,004,794
1995	1,375,731,835	850,201,510	174,422,173	675,779,337	n.a.	465,405,305	13,326,051	1,818,343	44,980,627
1996	1,486,546,674	934,368,068	189,054,791	745,313,276	n.a.	492,365,178	15,350,591	2,241,226	42,221,611
1997	1,623,272,071	1,029,513,216	204,492,336	825,020,880	n.a.	528,596,833	17,595,484	2,760,917	44,805,621
1998	1,769,408,739	1,141,335,868	213,270,011	928,065,857	n.a.	557,799,193	21,314,933	3,316,029	45,642,716
1999	1,904,151,888	1,218,510,654	216,324,889	1,002,185,765	n.a.	598,669,865	23,627,320	4,758,287	58,585,763
2000	2,096,916,925	1,372,732,596	235,654,894	1,137,077,702	n.a.	639,651,814	25,618,377	4,103,243	54,810,895
2001	2,128,831,182	1,364,941,523	186,731,643	1,178,209,880	n.a.	682,222,895	25,289,663	3,958,253	52,418,848
2002	2,016,627,269	1,249,171,681	211,437,773	1,037,733,908	n.a.	688,077,238	25,532,186	1,709,329	52,136,835
2003	1,952,929,045	1,181,355,176	194,146,298	987,208,878	n.a.	695,975,801	20,887,883	1,939,025	52,771,160
2004	2,018,502,103	1,220,868,119	230,619,359	990,248,760	n.a.	717,247,296	24,130,143	1,449,319	54,807,225
2005	2,268,895,122	1,414,595,831	307,094,837	1,107,500,994	n.a.	771,441,662	23,565,164	2,040,367	57,252,098
2006	2,518,680,230	1,617,183,944	380,924,573	1,236,259,371	n.a.	814,819,218	26,717,493	1,970,032	57,989,543
2007	2,691,537,557	1,761,777,263	395,535,825	1,366,241,437	n.a.	849,732,729	24,557,815	2,420,138	53,049,612
2008	2,745,035,410	1,780,306,008	354,315,825	1,400,405,178	25,585,005	883,197,626	26,543,433	3,280,502	51,707,840
2009	2,345,337,177	1,415,864,347	225,481,588	1,175,421,788	14,960,969	858,163,864	21,583,131	3,094,191	46,631,646
2010	2,345,055,978	1,453,926,748	277,937,220	1,163,687,589	12,301,939	824,188,337	16,930,741	2,820,095	47,190,057
2011	2,414,952,112	1,589,030,349	242,848,122	1,331,160,469	15,021,758	767,504,822	[7] 2,506,991	6,572,384	49,337,563
2012	2,524,320,134	1,669,298,095	281,461,580	1,371,402,290	16,434,225	784,396,853	12,340,655	[8] 2,109,594	56,174,937

Footnotes on next page.

Table 6. Gross Collections, by Type of Tax, Fiscal Years 1960–2012—Continued**Footnotes**

n.a.—Not available. See footnote 3 below.

- [1] Beginning with Fiscal Year 2009, credits to taxpayer accounts are excluded.
- [2] Includes taxes on corporation income (Form 1120 series) and unrelated business income from tax-exempt organizations (Form 990–T).
- [3] Income tax reported for estates and trusts is included in individual income tax in Fiscal Years 1960–2007. Beginning with Fiscal Year 2008, estate and trust income tax is reported separately.
- [4] Includes taxes for Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI); unemployment insurance under the Federal Unemployment Tax Act (FUTA); and railroad retirement under the Railroad Retirement Tax Act (RRTA).
- [5] Excludes excise taxes collected by the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. The Internal Revenue Service collected taxes on alcohol and tobacco until Fiscal Year 1988, and taxes on firearms until Fiscal Year 1991.
- [6] Represents fiscal-year transitional period, July 1976 through September 1976, resulting from redefinition of the term “fiscal year.” Fiscal Year 1976 covered July 1975 through June 1976 (earlier years were similarly defined). Fiscal Year 1977 covered October 1976 through September 1977 (subsequent years are similarly defined).
- [7] The estate tax was temporarily repealed for deaths in Calendar Year 2010 before being reinstated retroactively with a \$5-million exemption as part of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. As a result of this legislation, the estates of 2010 decedents could elect to file either Form 706 (estate and generation-skipping transfer tax return), due September 19, 2011, or Form 8939 (allocation of increase in basis for property acquired from a decedent), due January 17, 2012. The law also provided a \$5-million exemption for the estates of 2011 decedents. These tax law changes significantly reduced estate tax gross collections in Fiscal Year 2011 relative to other fiscal years.
- [8] Gifts are taxed based on the Federal tax law in effect for the year in which they are given, and the majority of gifts given in one year are reported to the IRS in the following year. Gift tax collections decreased significantly between Fiscal Years 2011 and 2012, which reflects a decrease in the amount of gift tax collections on gifts made primarily in 2010 and 2011. Gifts made during Calendar Year 2010 were subject to a maximum unified credit amount of \$330,800; gifts made during Calendar Year 2011 were subject to a maximum unified credit amount of \$1,730,800. The unified credit, which applies to the sum of both taxable gifts made during life and a decedent's estate, is a credit to offset the amount of transfer tax that would be assessed on assets below the applicable exclusion amount.

NOTES:

Detail may not add to totals because of rounding.

All money amounts are in current dollars.

Partnership and S corporation data are not shown in this table since these entities generally do not have a tax liability. Instead, they pass any profits or losses to the underlying owners who include these profits or losses on their income tax returns.

This table shows gross collections. Gross collections less refunds equals net collections. See Table 1 for data on refunds and net collections.

SOURCE: Chief Financial Officer, Financial Management.

Table 7. Number of Refunds Issued, by Type of Refund and State, Fiscal Year 2012

State	Total Internal Revenue refunds [1,2]	Business income taxes [3]	Individual income tax, estate and trust income tax, and employment taxes			Estate tax	Gift tax	Excise taxes [1]
			Individual income tax	Estate and trust income tax	Employment taxes [4]			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States, total [5]	123,358,811	445,404	120,675,091	209,174	1,926,549	4,492	4,122	93,979
Alabama	1,804,690	4,651	1,768,494	1,981	28,309	38	27	1,190
Alaska	308,862	1,008	299,534	366	7,515	d	d	426
Arizona	2,283,380	6,508	2,241,225	3,188	31,038	46	42	1,333
Arkansas	1,049,181	3,398	1,023,594	1,039	20,251	22	44	833
California	13,862,370	57,914	13,574,160	22,665	196,569	866	624	9,572
Colorado	1,962,632	7,689	1,913,702	3,292	36,486	68	78	1,317
Connecticut	1,464,462	4,742	1,432,471	3,955	22,048	92	98	1,056
Delaware	374,282	1,815	363,497	2,788	5,758	11	18	395
District of Columbia	278,935	1,248	271,827	616	4,945	20	8	271
Florida	8,389,372	28,424	8,211,666	12,318	131,371	338	455	4,800
Georgia	3,908,253	11,485	3,838,767	3,592	51,975	95	68	2,271
Hawaii	550,994	2,851	537,107	1,273	9,378	20	19	346
Idaho	554,643	2,174	537,970	532	13,397	10	12	548
Illinois	5,295,743	18,822	5,184,043	13,888	74,326	178	135	4,351
Indiana	2,626,268	6,816	2,580,919	2,457	34,292	31	39	1,714
Iowa	1,171,417	6,783	1,141,392	1,087	20,547	21	30	1,557
Kansas	1,089,736	5,588	1,060,877	1,698	20,423	25	22	1,103
Kentucky	1,634,618	4,178	1,604,672	1,753	22,859	28	29	1,099
Louisiana	1,753,536	6,151	1,709,306	1,544	35,162	45	28	1,300
Maine	531,900	2,301	520,010	880	8,155	25	14	515
Maryland	2,386,855	7,904	2,339,012	4,477	33,873	81	66	1,442
Massachusetts	2,693,489	8,937	2,636,530	10,281	35,299	143	150	2,149
Michigan	3,925,143	14,995	3,845,703	5,917	55,801	80	97	2,550
Minnesota	2,118,566	10,068	2,070,186	3,243	32,300	54	80	2,635
Mississippi	1,119,145	3,528	1,093,671	640	20,377	14	29	886
Missouri	2,300,059	8,896	2,247,587	4,198	37,088	60	52	2,178
Montana	384,348	3,340	369,287	502	10,599	12	9	599
Nebraska	723,006	3,718	702,169	995	15,031	18	10	1,065
Nevada	1,111,970	4,292	1,090,639	1,368	14,852	25	19	775
New Hampshire	574,120	2,130	560,801	1,382	9,259	19	24	505
New Jersey	3,631,643	12,363	3,555,665	7,839	53,039	164	129	2,444
New Mexico	771,191	2,362	753,915	809	13,620	22	7	456
New York	7,949,259	28,869	7,772,186	15,090	126,804	478	646	5,186
North Carolina	3,589,629	10,971	3,521,578	4,055	50,353	83	67	2,522
North Dakota	272,606	1,741	262,268	237	7,668	11	5	676
Ohio	4,740,122	14,725	4,658,248	8,558	54,857	125	82	3,527
Oklahoma	1,353,063	5,119	1,317,868	2,060	26,860	45	14	1,097
Oregon	1,409,483	6,391	1,374,944	2,330	24,459	69	38	1,252
Pennsylvania	5,297,935	15,888	5,200,647	11,395	65,006	143	135	4,721
Rhode Island	448,757	1,301	439,845	2,487	4,331	17	19	757
South Carolina	1,753,491	4,716	1,717,158	1,541	28,799	40	25	1,212
South Dakota	337,431	2,200	325,102	899	8,619	16	3	592
Tennessee	2,544,287	6,390	2,491,357	3,019	41,868	49	50	1,554
Texas	9,893,591	34,527	9,651,257	18,552	180,777	279	284	7,915
Utah	1,005,036	3,732	981,064	1,015	18,609	d	d	602
Vermont	266,367	1,280	258,433	559	5,771	14	6	304
Virginia	3,210,945	11,106	3,145,223	4,782	47,444	108	69	2,213
Washington	2,706,375	10,192	2,635,318	4,645	54,229	92	101	1,798
West Virginia	697,819	1,747	683,350	608	11,381	11	9	713
Wisconsin	2,299,788	9,830	2,251,092	3,736	32,772	62	42	2,254
Wyoming	247,976	1,604	238,090	595	7,289	21	18	359
U.S. Armed Service members overseas and Territories other than Puerto Rico	180,435	d	d	20	2,731	d	3	60
Puerto Rico	177,277	443	159,159	27	17,604	6	0	38
International	341,738	5,475	332,372	401	2,376	128	40	946
Undistributed [6]	592	d	d	0	0	0	0	0
Child tax credit [7]	16,960,763	N/A	16,960,763	N/A	N/A	N/A	N/A	N/A
Earned income tax credits [7]	23,459,531	N/A	23,459,531	N/A	N/A	N/A	N/A	N/A

Footnotes on next page.

Table 7. Number of Refunds Issued, by Type of Refund and State, Fiscal Year 2012—Continued**Footnotes**

d—Not shown to avoid disclosure of information. However, the data are included in the appropriate totals.

N/A—Not applicable.

[1] Excludes refunds of excise taxes paid from the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[2] Includes overpayment refunds, refunds resulting from examination activity, refundable tax credits, and other refunds required by law.

[3] Includes refunds of taxes on corporation income (Form 1120 series) and unrelated business income from tax-exempt organizations (Form 990-T).

[4] Includes refunds on self-employment income taxes under the Self-Employment Insurance Contributions Act (SECA); railroad retirement taxes under the Railroad Retirement Tax Act (RRTA); unemployment insurance taxes under the Federal Unemployment Tax Act (FUTA); and Old-Age, Survivors, Disability and Hospital Insurance (OASDHI) taxes on salaries and wages under the Federal Insurance Contributions Act (FICA).

[5] Excludes credits to taxpayer accounts.

[6] Includes refunds of tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts.

[7] Reflects refundable portions of credits only. Shown separately for information purposes. Counts are included in the State figures and U.S. totals.

NOTE:

Classification by State is based on the individual's address (or, in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

SOURCE: Chief Financial Officer, Financial Management.

Table 8. Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2012

[Money amounts are in thousands of dollars]

State	Total Internal Revenue refunds [1, 2]	Business income taxes [3]	Individual income tax, estate and trust income tax, and employment taxes			Estate tax	Gift tax	Excise taxes [1]
			Individual income tax [4]	Estate and trust income tax	Employment taxes [5]			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States, total [6]	373,428,754	43,970,393	322,666,998	1,393,448	3,729,631	406,379	98,252	1,163,654
Alabama	5,289,399	321,437	4,929,830	10,748	20,435	2,760	450	3,738
Alaska	811,368	31,412	765,027	3,783	6,638	d	d	1,648
Arizona	6,290,211	406,589	5,784,097	29,646	35,865	8,957	1,340	23,717
Arkansas	2,931,984	214,902	2,680,057	21,044	10,833	2,363	679	2,107
California	41,894,334	4,124,217	37,102,177	134,404	344,643	78,645	14,105	96,142
Colorado	5,625,018	644,095	4,886,442	14,619	45,626	2,395	1,136	30,704
Connecticut	6,593,434	2,274,714	4,190,561	34,983	62,071	10,621	3,017	17,467
Delaware	3,888,671	2,788,966	918,221	80,013	99,511	1,011	341	608
District of Columbia	833,947	72,274	726,932	6,598	25,535	1,240	60	1,308
Florida	23,865,014	773,984	22,760,604	82,140	173,573	32,133	15,907	26,674
Georgia	12,022,713	1,382,782	10,472,192	19,626	103,849	7,294	915	36,055
Hawaii	1,433,423	91,421	1,326,139	5,164	8,656	822	120	1,101
Idaho	1,387,668	90,762	1,282,373	2,742	9,171	214	149	2,257
Illinois	16,767,195	1,655,613	14,713,626	125,673	175,991	16,397	3,246	76,648
Indiana	7,087,659	441,851	6,568,931	15,358	43,577	2,370	131	15,441
Iowa	2,977,650	183,375	2,763,798	4,008	19,178	440	1,148	5,702
Kansas	2,862,001	189,154	2,623,951	4,502	38,727	713	197	4,756
Kentucky	4,430,116	220,675	4,149,368	16,239	33,191	1,308	6,610	2,725
Louisiana	5,287,798	302,873	4,912,424	8,652	56,502	5,178	438	1,732
Maine	1,343,896	179,652	1,152,149	2,621	6,088	2,458	98	830
Maryland	7,257,470	764,633	6,392,264	23,248	61,473	5,283	1,086	9,482
Massachusetts	8,674,056	1,482,065	6,993,226	60,173	104,495	8,957	2,720	22,420
Michigan	10,792,947	1,090,473	9,439,101	26,618	220,341	5,007	1,345	10,063
Minnesota	6,557,810	1,523,973	4,896,523	36,927	53,712	4,487	377	41,811
Mississippi	3,332,747	167,362	3,135,297	1,722	23,804	448	1,880	2,234
Missouri	6,442,756	709,395	5,601,452	16,519	95,771	6,196	527	12,896
Montana	862,743	30,137	820,375	1,203	5,540	899	20	4,568
Nebraska	1,880,669	161,251	1,671,329	3,291	22,584	511	34	21,669
Nevada	3,141,754	110,656	2,977,230	23,563	16,556	7,532	175	6,043
New Hampshire	1,488,585	79,270	1,385,507	4,827	15,813	485	1,225	1,459
New Jersey	12,258,226	1,519,885	10,513,293	60,104	144,367	11,949	1,922	6,705
New Mexico	1,975,230	52,379	1,899,656	3,211	11,710	2,751	1,967	3,555
New York	28,481,035	4,994,691	22,683,218	127,707	518,159	57,189	11,415	88,656
North Carolina	10,066,606	985,125	8,975,090	16,972	77,692	5,357	1,296	5,072
North Dakota	700,946	64,312	624,362	315	6,451	1,875	3	3,628
Ohio	13,063,147	1,560,233	11,277,078	36,790	142,210	7,047	2,572	37,217
Oklahoma	4,444,247	824,731	3,476,301	13,687	22,032	2,632	375	104,490
Oregon	3,572,129	406,585	3,127,983	9,096	17,634	5,058	278	5,494
Pennsylvania	14,766,611	1,591,304	12,971,622	48,065	117,429	7,652	4,463	26,076
Rhode Island	1,522,007	392,497	1,106,239	7,592	12,000	2,935	156	588
South Carolina	4,467,036	145,403	4,292,094	7,251	16,737	2,613	24	2,914
South Dakota	836,521	37,280	775,476	15,436	5,313	142	60	2,814
Tennessee	8,081,139	1,322,440	6,611,272	14,680	113,918	8,711	1,644	8,475
Texas	33,464,687	4,385,589	28,522,439	135,679	286,510	19,600	4,957	109,914
Utah	3,004,212	291,146	2,599,157	3,826	81,576	d	d	28,108
Vermont	671,390	90,535	574,037	2,425	3,420	449	28	496
Virginia	9,593,063	1,124,912	8,352,177	19,915	72,131	6,721	1,133	16,073
Washington	7,475,082	520,547	6,842,995	21,998	72,466	8,199	1,537	7,342
West Virginia	1,793,899	64,244	1,712,175	2,656	11,488	1,823	45	1,468
Wisconsin	5,947,952	632,066	5,206,458	15,337	77,362	7,446	282	9,001
Wyoming	668,210	22,176	626,865	8,464	4,716	2,231	146	3,611
U.S. Armed Service members overseas and Territories other than Puerto Rico	505,717	d	d	37	2,588	d	33	70
Puerto Rico	277,084	5,887	261,905	103	9,167	3	0	19
International	1,602,082	537,252	999,421	2,785	45,182	5,250	461	11,731
Undistributed [7]	135,460	d	d	-1,337	-82,378	18,450	3,765	196,132
Child tax credit [8]	22,106,192	N/A	22,106,192	N/A	N/A	N/A	N/A	N/A
Earned income tax credits [8]	54,890,141	N/A	54,890,141	N/A	N/A	N/A	N/A	N/A

Footnotes on next page.

Table 8. Amount of Refunds Issued, Including Interest, by Type of Refund and State, Fiscal Year 2012—Continued**Footnotes**

d—Not shown to avoid disclosure of information. However, the data are included in the appropriate totals.

N/A—Not applicable.

[1] Excludes refunds of excise taxes paid from the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[2] Includes overpayment refunds, refunds resulting from examination activity, refundable tax credits, and other refunds required by law. Also includes \$2.7 billion in interest, of which \$1.7 billion was paid to corporations and \$1.0 billion was paid to all others (related to individual, employment, estate, gift and excise tax returns).

[3] Includes refunds of taxes on corporation income (Form 1120) and unrelated business income from tax-exempt organizations (Form 990-T).

[4] The average individual income tax refund (based on Forms 1040, 1040-A, and 1040-EZ) was \$2,879.

[5] Includes refunds of self-employment income taxes under the Self-Employment Insurance Contributions Act (SECA); railroad retirement taxes under the Railroad Retirement Tax Act (RRTA); unemployment insurance taxes under the Federal Unemployment Tax Act (FUTA); and Old-Age, Survivors, Disability, and Hospital Insurance (OASDHI) taxes on salaries and wages under the Federal Insurance Contributions Act (FICA).

[6] Excludes credits to taxpayer accounts.

[7] Includes refunds of tax and excess withholding payments not classified by State as of the end of the fiscal year because they had not been applied to taxpayer accounts. Undistributed amounts may be negative when adjustments to taxpayer accounts have not been completed.

[8] Reflects refundable portions of credits only. Shown separately for information purposes. Refund amounts are included in the State figures and U.S. totals.

NOTES:

Detail may not add to totals because of rounding.

Collection and refund data may not be comparable for a given fiscal year because payments made in prior years may be refunded in the current fiscal year.

Adjustments to prior-year returns made in Fiscal Year 2012 may result in negative amounts when such adjustments exceed current-year refunds. See Table 5 for collections data.

Classification by State is based on the individual's address (or in the case of businesses, the location of the principal office or place of business). However, some individuals may use the address of a tax attorney or accountant. Sole proprietors, partners in a partnership, or shareholders in an S corporation may use their business addresses. Such addresses could have been located in a State other than the State in which the individual resided. Similarly, taxes withheld and reported by employers located near a State boundary might include substantial amounts withheld from salaries of employees who reside in a neighboring State. Also, while taxes of corporations may be paid from the principal office, the operations of these corporations may be located in one or more other State(s).

SOURCE: Chief Financial Officer, Financial Management.



Enforcement: Examinations

Enforcement of the tax laws is an integral component of the IRS's mission. IRS enforcement activities, such as examination and collection, target elements of the tax gap and are a high priority for the IRS.

The IRS accepts most Federal tax returns as filed. However, it examines (or audits) some returns to determine if income, expenses, and credits are being reported accurately. Some examinations are handled entirely by mail, while others are conducted in a taxpayer's home, place of business, IRS office, or office of an attorney, accountant, or enrolled agent. The IRS enforces the tax law in a number of ways. For individual taxpayers, some of the more common methods may include:

- sending a notice to a taxpayer because the IRS has an information return that indicates a taxpayer has income, but has not filed a tax return;
- rectifying a taxpayer error by using its authority to correct math errors and related problems on a return, as filed;
- informing a taxpayer that he/she has a record of income that does not appear on a tax return;
- conducting an examination by mail (correspondence examination); or
- conducting a face-to-face audit (field examination).

Tables 9a through 12 provide information about examinations of most types of tax returns. Table 9a provides an overview of all examinations of income tax returns, estate and gift tax returns, employment tax returns, excise tax returns, and certain other business tax returns. During Fiscal Year (FY) 2012, the IRS examined 0.9 percent of all returns filed in Calendar Year (CY) 2011, 1.0 percent of all individual income tax returns filed in CY 2011, and 1.6 percent of corporation income tax returns (excluding S corporation returns). Table 9b shows examinations of individual income tax returns by size of adjusted gross income (AGI). Overall, in FY 2012, individual income tax returns in higher AGI classes were more likely to be examined than returns in lower AGI classes.

Table 10 provides additional information about those examinations in which the taxpayer did not agree with the IRS examiner's determination. Table 11 provides information on examinations that prevented the erroneous payment of refunds. Table 12 shows the number of examinations that resulted in additional refunds paid to the taxpayer and the amount of refunds recommended. Of the 1.5 million examinations of individual income tax returns, nearly 54,000 resulted in additional refunds of almost \$1.0 billion.

Table 13 provides information about examinations of tax-exempt organizations, such as charitable organizations and foundations, employee retirement plans, Government entities, and tax-exempt bonds. These organizations generally do not owe Federal income tax. However, tax-exempt organizations may owe additional payroll taxes, unrelated business income tax, or excise taxes. In addition, changes to exempt organization returns may lead to adjustments on related taxable returns. Examinations of related returns are also included in Table 13 (and excluded from Tables 9a through 12). The IRS processed 798,903 returns of tax-exempt organizations in CY 2011 and examined 10,743 tax-exempt organization and related returns in FY 2012.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2012

Type and size of return	All returns filed in Calendar Year 2011 [1, 2]		Returns examined in Fiscal Year 2012 [1]		
	All returns	Total	Percentage covered	Field [3]	Correspondence
	(1)	(2)	(3)	(4)	(5)
United States, total	186,712,948	1,657,698	0.9	502,180	1,155,518
Taxable returns:					
▶ Individual income tax returns, total	143,399,737	[5] 1,481,966	1.0	359,750	1,122,216
▷ Returns with total positive income under \$200,000 [7]:					
▶ Nonbusiness returns without Earned Income Tax Credit:					
Without Schedules C, E, F, or Form 2106 [8]	79,179,109	308,055	0.4	36,415	271,640
With Schedule E or Form 2106 [9]	15,582,452	178,535	1.1	61,762	116,773
▶ Business returns without Earned Income Tax Credit:					
Nonfarm business returns by size of total gross receipts [10]:					
Under \$25,000	10,486,359	121,970	1.2	47,860	74,110
\$25,000 under \$100,000	3,009,675	72,676	2.4	46,183	26,493
\$100,000 under \$200,000	830,589	30,083	3.6	24,320	5,763
\$200,000 or more	619,064	20,999	3.4	19,135	1,864
Farm returns	1,343,580	6,419	0.5	3,741	2,678
▶ Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:					
Under \$25,000	25,554,339	[12] 531,802	2.1	28,183	503,619
\$25,000 or more	1,722,772	[12] 26,729	1.6	17,192	9,537
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [7]:					
Nonbusiness returns	3,129,696	86,716	2.8	27,442	59,274
Business returns	1,378,094	51,372	3.7	24,467	26,905
▷ Returns with total positive income of \$1,000,000 or more [7]	337,477	40,965	12.1	17,826	23,139
▷ International returns [13]	226,531	5,645	2.5	5,224	421
▶ Corporation income tax returns, except Form 1120-S, total [14]	1,999,266	32,701	1.6	31,705	996
▷ Returns other than Forms 1120-C and 1120-F [15]:					
▶ Small corporations [16]	1,896,158	21,164	1.1	20,612	552
No balance sheet returns	428,449	3,188	0.7	3,127	61
Balance sheet returns by size of total assets:					
Under \$250,000	953,821	8,493	0.9	8,263	230
\$250,000 under \$1,000,000	321,115	5,337	1.7	5,232	105
\$1,000,000 under \$5,000,000	163,888	3,408	2.1	3,288	120
\$5,000,000 under \$10,000,000	28,885	738	2.6	702	36
▶ Large corporations [17]	60,489	10,752	17.8	10,427	325
Balance sheet returns by size of total assets:					
\$10,000,000 under \$50,000,000	31,151	3,266	10.5	3,149	117
\$50,000,000 under \$100,000,000	7,440	1,543	20.7	1,516	27
\$100,000,000 under \$250,000,000	7,994	1,854	23.2	1,800	54
\$250,000,000 under \$500,000,000	4,719	1,069	22.7	1,043	26
\$500,000,000 under \$1,000,000,000	3,508	798	22.7	774	24
\$1,000,000,000 under \$5,000,000,000	4,053	1,272	31.4	1,217	55
\$5,000,000,000 under \$20,000,000,000	1,178	535	45.4	d	d
\$20,000,000,000 or more	446	415	93.0	d	d
▷ Form 1120-C returns [15]	8,929	39	0.4	32	7
▷ Form 1120-F returns [15]	33,690	746	2.2	634	112
▶ Estate and trust income tax returns [20]	3,036,900	5,070	0.2	632	4,438
▶ Estate tax returns, total [21]	12,582	3,762	29.9	3,762	0
▷ Size of gross estate:					
Under \$5,000,000	9,404	1,362	14.5	1,362	0
\$5,000,000 under \$10,000,000	2,241	1,313	58.6	1,313	0
\$10,000,000 or more	937	1,087	[22] 116.0	1,087	0
▶ Gift tax returns	223,090	3,164	1.4	3,164	0
▶ Employment tax returns	29,371,428	66,997	0.2	50,792	16,205
▶ Excise tax returns	675,808	22,014	3.3	19,979	2,035
▶ Other taxable returns [23]	[4]	1,054	[4]	187	867
Nontaxable returns [24]:					
▶ Partnership returns	3,524,808	16,691	0.5	11,852	4,839
▶ S corporation returns [25]	4,469,329	21,658	0.5	20,234	1,424
▶ Other nontaxable returns [26]	[4]	2,621	[4]	123	2,498
Income, estate, and gift tax, and nontaxable returns, total	156,665,712	1,567,633	1.0	431,222	1,136,411

Footnotes at end of table.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2012—Continued

Type and size of return	Percentage of returns examined with no change		Recommended additional tax (thousands of dollars)	
	Field [3]	Correspondence	Total	Field [3]
	(6)	(7)	(8)	(9)
United States, total	[4]	[4]	38,699,308	29,379,250
Taxable returns:				
► Individual income tax returns, total	10	15	[6] 15,310,908	6,062,279
▷ Returns with total positive income under \$200,000 [7]:				
► Nonbusiness returns without Earned Income Tax Credit:				
Without Schedules C, E, F, or Form 2106 [8]	12	17	1,828,600	394,374
With Schedule E or Form 2106 [9]	7	18	1,007,409	612,818
► Business returns without Earned Income Tax Credit:				
Nonfarm business returns by size of total gross receipts [10]:				
Under \$25,000	6	19	621,618	368,450
\$25,000 under \$100,000	9	13	588,333	360,176
\$100,000 under \$200,000	7	19	511,946	387,905
\$200,000 or more	9	50	535,507	530,257
Farm returns	10	42	25,763	20,572
► Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:				
Under \$25,000	9	8	2,265,265	153,236
\$25,000 or more	8	22	325,234	289,720
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [7]:				
Nonbusiness returns	15	40	1,501,534	544,468
Business returns	13	22	1,272,054	625,305
▷ Returns with total positive income of \$1,000,000 or more [7]	23	30	4,797,652	1,745,543
▷ International returns [13]	9	3	29,993	29,455
► Corporation income tax returns, except Form 1120–S, total [14]	28	45	20,124,300	20,110,306
▷ Returns other than Forms 1120–C and 1120–F [15]:				
► Small corporations [16]	28	46	613,505	607,678
No balance sheet returns	16	46	133,099	131,034
Balance sheet returns by size of total assets:				
Under \$250,000	28	41	153,682	152,419
\$250,000 under \$1,000,000	32	66	131,749	131,667
\$1,000,000 under \$5,000,000	35	43	138,775	136,392
\$5,000,000 under \$10,000,000	34	39	56,200	56,166
► Large corporations [17]	27	44	17,024,825	17,016,751
Balance sheet returns by size of total assets:				
\$10,000,000 under \$50,000,000	31	43	457,802	457,296
\$50,000,000 under \$100,000,000	37	41	126,810	124,845
\$100,000,000 under \$250,000,000	33	33	234,263	230,706
\$250,000,000 under \$500,000,000	27	58	369,109	367,212
\$500,000,000 under \$1,000,000,000	24	63	230,215	230,215
\$1,000,000,000 under \$5,000,000,000	16	45	2,586,513	2,586,365
\$5,000,000,000 under \$20,000,000,000	8	40	3,052,244	d
\$20,000,000,000 or more	4	0	9,967,869	d
▷ Form 1120–C returns [15]	16	43	16,543	16,531
▷ Form 1120–F returns [15]	49	42	2,469,427	2,469,346
► Estate and trust income tax returns [20]	7	38	41,081	16,325
► Estate tax returns, total [21]	22	N/A	1,145,640	1,145,640
▷ Size of gross estate:				
Under \$5,000,000	22	N/A	116,748	116,748
\$5,000,000 under \$10,000,000	26	N/A	138,375	138,375
\$10,000,000 or more	18	N/A	890,517	890,517
► Gift tax returns	40	N/A	351,167	351,167
► Employment tax returns	17	10	1,360,803	1,331,015
► Excise tax returns	36	56	272,512	271,563
► Other taxable returns [23]	7	38	92,897	90,955
Nontaxable returns [24]:				
► Partnership returns	44	38	N/A	N/A
► S corporation returns [25]	33	44	N/A	N/A
► Other nontaxable returns [26]	26	30	N/A	N/A
Income, estate, and gift tax, and nontaxable returns, total	14	15	36,973,096	27,685,717

Footnotes at end of table.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2012—Continued

Type and size of return	Recommended additional tax (thousands of dollars)—continued	Average recommended additional tax per return (dollars)	
	Correspondence	Field [3]	Correspondence
	(10)	(11)	(12)
United States, total	9,320,058	[4]	[4]
Taxable returns:			
► Individual income tax returns, total	9,248,629	16,851	8,241
▷ Returns with total positive income under \$200,000 [7]:			
► Nonbusiness returns without Earned Income Tax Credit:			
Without Schedules C, E, F, or Form 2106 [8]	1,434,226	10,830	5,280
With Schedule E or Form 2106 [9]	394,591	9,922	3,379
► Business returns without Earned Income Tax Credit:			
Nonfarm business returns by size of total gross receipts [10]:			
Under \$25,000	253,168	7,698	3,416
\$25,000 under \$100,000	228,157	7,799	8,612
\$100,000 under \$200,000	124,041	15,950	21,524
\$200,000 or more	5,250	27,711	2,817
Farm returns	5,191	5,499	1,938
► Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [10, 11]:			
Under \$25,000	2,112,029	5,437	4,194
\$25,000 or more	35,514	16,852	3,724
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [7]:			
Nonbusiness returns	957,066	19,841	16,146
Business returns	646,749	25,557	24,038
▷ Returns with total positive income of \$1,000,000 or more [7]	3,052,109	97,921	131,903
▷ International returns [13]	538	5,638	1,278
► Corporation income tax returns, except Form 1120–S, total [14]	13,994	634,294	14,050
▷ Returns other than Forms 1120–C and 1120–F [15]:			
► Small corporations [16]	5,827	29,482	10,556
No balance sheet returns	2,065	41,904	33,852
Balance sheet returns by size of total assets:			
Under \$250,000	1,263	18,446	5,491
\$250,000 under \$1,000,000	82	25,166	781
\$1,000,000 under \$5,000,000	2,383	41,482	19,858
\$5,000,000 under \$10,000,000	34	80,009	944
► Large corporations [17]	8,074	1,631,989	24,843
Balance sheet returns by size of total assets:			
\$10,000,000 under \$50,000,000	506	145,219	4,325
\$50,000,000 under \$100,000,000	1,965	82,352	72,778
\$100,000,000 under \$250,000,000	3,557	128,170	65,870
\$250,000,000 under \$500,000,000	1,897	352,073	72,962
\$500,000,000 under \$1,000,000,000	[18]	297,435	[19]
\$1,000,000,000 under \$5,000,000,000	148	2,125,197	2,691
\$5,000,000,000 under \$20,000,000,000	d	d	d
\$20,000,000,000 or more	d	d	d
▷ Form 1120–C returns [15]	12	516,594	1,714
▷ Form 1120–F returns [15]	81	3,894,868	723
► Estate and trust income tax returns [20]	24,756	25,831	5,578
► Estate tax returns, total [21]	N/A	304,530	N/A
▷ Size of gross estate:			
Under \$5,000,000	N/A	85,718	N/A
\$5,000,000 under \$10,000,000	N/A	105,388	N/A
\$10,000,000 or more	N/A	819,243	N/A
► Gift tax returns	N/A	110,988	N/A
► Employment tax returns	29,788	26,205	1,838
► Excise tax returns	949	13,592	466
► Other taxable returns [23]	1,942	486,390	2,240
Nontaxable returns [24]:			
► Partnership returns	N/A	N/A	N/A
► S corporation returns [25]	N/A	N/A	N/A
► Other nontaxable returns [26]	N/A	N/A	N/A
Income, estate, and gift tax, and nontaxable returns, total	9,287,379	[4]	[4]

Footnotes at end of table.

Table 9a. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2012—Continued**Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals when possible.

N/A—Not applicable.

- [1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Also excludes returns of tax-exempt organizations; Government entities; employee retirement benefit plans; and tax-exempt bond returns; and information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1).
- [2] Calendar Year 2011 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.
- [3] Field examinations are generally performed in person by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [4] Not tabulated.
- [5] Includes a total of 487,408 returns selected for examination on the basis of an Earned Income Tax Credit (EITC) claim.
- [6] Includes a total of \$2,049,226 thousand in recommended additional tax (including an Earned Income Tax Credit) on returns selected for examination on the basis of an EITC claim.
- [7] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [8] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [9] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [10] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [11] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [12] Includes returns with an Earned Income Tax Credit (EITC) claim. These returns were selected on the basis of an EITC claim or on other selected criteria.
- [13] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).
- [14] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 25.
- [15] Forms 1120-C are filed by cooperative associations. Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC).
- [16] Includes returns with assets of less than \$10 million.
- [17] Includes returns with assets of \$10 million or more.
- [18] Less than \$500.
- [19] Less than \$50.
- [20] Includes Form 1041 (income tax return for estates and trusts) and Form 1041-N (income tax return for electing Alaska Native settlement trusts).
- [21] Includes Form 706 (estate and generation-skipping transfer tax return).
- [22] The percentage of returns examined may be greater than 100 percent of the returns filed in Calendar Year 2011 since examinations may be conducted on returns filed in prior calendar years.
- [23] Includes Forms 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax (see footnote 25); 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).
- [24] Nontaxable returns are filed for entities that generally do not have a tax liability, but pass through any profits and losses to the underlying owners who include these profits or losses on their income tax returns. The examination of partnership, S corporation, and other nontaxable returns affects the amount of recommended additional tax for these associated income tax returns.
- [25] Includes most Forms 1120-S, which are filed by qualifying S corporations electing to be taxed through shareholders. Under certain conditions, S corporations are subject to tax and are included in "other taxable returns" in this table. See footnote 23.
- [26] Includes the following nontaxable returns: Form 1041 (income tax return for estates and trusts); Form 1120-DISC (domestic international sales corporation return); and Form 1066 (real estate mortgage investment conduit income tax return).

NOTES:

Detail may not add to totals because of rounding.

This table includes information on examinations of all individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, and other taxable returns, as well as partnership, S corporation, and other nontaxable returns.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 9b. Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income, Fiscal Year 2012

Size of adjusted gross income [1]	Returns filed in Calendar Year 2011 (percent of total) [2]	Examination coverage in Fiscal Year 2012 (percent) [3]
All returns [4]	100.00	1.03
No adjusted gross income [5]	2.15	2.67
\$1 under \$25,000	39.92	1.05
\$25,000 under \$50,000	23.91	0.70
\$50,000 under \$75,000	13.16	0.64
\$75,000 under \$100,000	8.11	0.64
\$100,000 under \$200,000	9.77	0.85
\$200,000 under \$500,000	2.41	1.96
\$500,000 under \$1,000,000	0.38	3.57
\$1,000,000 under \$5,000,000	0.18	8.90
\$5,000,000 under \$10,000,000	0.01	17.94
\$10,000,000 or more	0.01	27.37

[1] Adjusted gross income is total income, as defined by the Internal Revenue Code, less statutory adjustments—primarily business, investment, and certain other deductions.

[2] Calendar Year 2011 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.

[3] Represents the number of returns examined in Fiscal Year 2012 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2011 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined more than 132,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return (ASFR) Program. Under ASFR, the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify tax return delinquencies, constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns. These nonfiler cases are excluded from the examination data in this table.

[5] Includes returns with adjusted gross income (AGI) of less than zero. AGI may be less than zero when a taxpayer reports losses or statutory adjustments that exceed total income.

NOTES:

Detail may not add to totals because of rounding.

This table shows examination coverage of individual income tax returns classified by size of adjusted gross income, while Tables 9a and 10–12 report examination coverage by size of total positive income. Total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and therefore excludes losses.

SOURCE: Research, Analysis, and Statistics, Office of Research.

Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2012

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined with unagreed recommended additional tax [1]			Amount unagreed		
	Total	Field [2]	Correspondence	Total	Field [2]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	47,075	38,915	8,160	18,654,923	18,355,134	299,789
► Individual income tax returns, total	37,858	29,724	8,134	2,355,985	2,058,705	297,280
▷ Returns with total positive income under \$200,000 [3]:						
► Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [4]	4,066	2,246	1,820	102,907	74,983	27,924
With Schedule E or Form 2106 [5]	5,902	4,213	1,689	193,876	186,974	6,902
► Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [6]:						
Under \$25,000	5,301	4,196	1,105	93,061	87,456	5,605
\$25,000 under \$100,000	4,304	4,099	205	78,573	76,918	1,655
\$100,000 under \$200,000	2,387	2,334	53	79,936	79,272	664
\$200,000 or more	2,057	2,029	28	143,875	143,774	101
Farm returns	246	212	34	2,904	2,775	129
► Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [6, 7]:						
Under \$25,000	2,520	1,061	1,459	37,708	31,216	6,492
\$25,000 or more	1,906	1,821	85	71,562	71,304	258
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [3]:						
Nonbusiness returns	3,258	2,497	761	232,223	210,599	21,624
Business returns	3,571	3,042	529	209,854	202,487	7,367
▷ Returns with total positive income of \$1,000,000 or more [3]	2,318	1,952	366	1,097,775	879,216	218,559
▷ International returns [8]	22	22	0	11,731	11,731	0
► Corporation income tax returns, except Form 1120–S, total [9]	2,751	2,748	3	14,662,144	14,662,112	32
▷ Returns other than Forms 1120–C and 1120–F [10]:						
► Small corporations [11]	1,760	1,757	3	211,096	211,064	32
No balance sheet returns	253	d	d	20,896	d	d
Balance sheet returns by size of total assets:						
Under \$250,000	715	d	d	49,616	d	d
\$250,000 under \$1,000,000	418	418	0	51,784	51,784	0
\$1,000,000 under \$5,000,000	304	d	d	70,035	d	d
\$5,000,000 under \$10,000,000	70	70	0	18,765	18,765	0
► Large corporations [12]	942	942	0	12,055,960	12,055,960	0
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	227	227	0	238,863	238,863	0
\$50,000,000 under \$100,000,000	74	74	0	51,219	51,219	0
\$100,000,000 under \$250,000,000	100	100	0	115,233	115,233	0
\$250,000,000 under \$500,000,000	72	72	0	295,704	295,704	0
\$500,000,000 under \$1,000,000,000	65	65	0	97,010	97,010	0
\$1,000,000,000 under \$5,000,000,000	171	171	0	1,880,569	1,880,569	0
\$5,000,000,000 under \$20,000,000,000	92	92	0	2,024,545	2,024,545	0
\$20,000,000,000 or more	141	141	0	7,352,817	7,352,817	0
▷ Form 1120–C returns [10]	8	8	0	12,326	12,326	0
▷ Form 1120–F returns [10]	41	41	0	2,382,762	2,382,762	0
► Estate and trust income tax returns [13]	87	d	d	12,332	d	d
► Estate tax returns, total [14]	205	205	0	667,772	667,772	0
▷ Size of gross estate:						
Under \$5,000,000	72	72	0	51,710	51,710	0
\$5,000,000 under \$10,000,000	62	62	0	47,622	47,622	0
\$10,000,000 or more	71	71	0	568,440	568,440	0
► Gift tax returns	237	237	0	276,888	276,888	0
► Employment tax returns	4,038	4,038	0	495,777	495,777	0
► Excise tax returns	1,873	1,873	0	120,679	120,679	0
► Other taxable returns [15]	26	d	d	63,346	d	d

Footnotes on next page.

Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2012—Continued**Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals when possible.

- [1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Also excludes returns of tax-exempt organizations; Government entities; employee retirement benefit plans; and tax-exempt bond returns; and information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1).
- [2] Field examinations are generally performed in person by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [3] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [4] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [5] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [6] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [7] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [8] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).
- [9] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 15.
- [10] Forms 1120-C are filed by cooperative associations. Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC).
- [11] Includes returns with assets of less than \$10 million.
- [12] Includes returns with assets of \$10 million or more.
- [13] Includes Form 1041 (income tax return for estates and trusts) and Form 1041-N (income tax return for electing Alaska Native settlement trusts).
- [14] Includes Form 706 (estate and generation-skipping transfer tax return).
- [15] Includes Forms 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

NOTES:

Detail may not add to totals because of rounding.

This table includes information on examinations in which the taxpayer did not agree with the IRS examiner's determination. For information on all examinations of individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, and other taxable returns, along with partnership, S corporation and other nontaxable returns, see Table 9a.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2012 [1]

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined involving protection of the revenue base [2]			Amount protected		
	Total	Field [3]	Correspondence	Total	Field [3]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	55,714	19,792	35,922	3,771,027	3,638,883	132,144
► Individual income tax returns, total	50,746	14,826	35,920	607,484	475,346	132,138
▷ Returns with total positive income under \$200,000 [4]:						
► Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [5]	17,896	2,487	15,409	170,552	114,353	56,199
With Schedule E or Form 2106 [6]	5,179	1,975	3,204	30,048	19,506	10,542
► Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [7]:						
Under \$25,000	4,612	1,145	3,467	27,193	16,556	10,637
\$25,000 under \$100,000	2,402	1,263	1,139	10,243	6,841	3,402
\$100,000 under \$200,000	1,042	788	254	8,371	7,502	869
\$200,000 or more	957	806	151	35,921	35,342	579
Farm returns	726	478	248	1,320	588	732
► Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [7, 8]:						
Under \$25,000	11,117	560	10,557	43,425	2,214	41,211
\$25,000 or more	1,038	264	774	4,222	1,636	2,586
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [4]:						
Nonbusiness returns	2,266	1,918	348	40,872	38,868	2,004
Business returns	1,877	1,711	166	32,591	31,336	1,255
▷ Returns with total positive income of \$1,000,000 or more [4]	1,475	1,428	47	202,398	200,593	1,805
▷ International returns [9]	159	3	156	328	11	317
► Corporation income tax returns, except Form 1120-S, total [10]	1,509	d	d	2,900,102	d	d
▷ Returns other than Forms 1120-C and 1120-F [11]:						
► Small corporations [12]	420	d	d	42,653	d	d
No balance sheet returns	24	24	0	1,726	1,726	0
Balance sheet returns by size of total assets:						
Under \$250,000	85	d	d	1,404	d	d
\$250,000 under \$1,000,000	83	83	0	1,339	1,339	0
\$1,000,000 under \$5,000,000	176	176	0	37,179	37,179	0
\$5,000,000 under \$10,000,000	52	52	0	1,005	1,005	0
► Large corporations [13]	1,040	d	d	2,766,971	d	d
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	144	144	0	12,837	12,837	0
\$50,000,000 under \$100,000,000	71	71	0	26,054	26,054	0
\$100,000,000 under \$250,000,000	146	146	0	24,336	24,336	0
\$250,000,000 under \$500,000,000	105	105	0	13,103	13,103	0
\$500,000,000 under \$1,000,000,000	92	92	0	108,039	108,039	0
\$1,000,000,000 under \$5,000,000,000	211	211	0	258,893	258,893	0
\$5,000,000,000 under \$20,000,000,000	134	134	0	604,328	604,328	0
\$20,000,000,000 or more	137	d	d	1,719,381	d	d
▷ Form 1120-C returns [11]	10	10	0	15,731	15,731	0
▷ Form 1120-F returns [11]	39	39	0	74,747	74,747	0
► Estate and trust income tax returns [14]	126	126	0	8,741	8,741	0
► Estate tax returns, total [15]	235	235	0	76,837	76,837	0
▷ Size of gross estate:						
Under \$5,000,000	115	115	0	11,020	11,020	0
\$5,000,000 under \$10,000,000	56	56	0	6,936	6,936	0
\$10,000,000 or more	64	64	0	58,881	58,881	0
► Gift tax returns	33	d	d	12,739	d	d
► Employment tax returns	518	518	0	74,663	74,663	0
► Excise tax returns	2,499	2,499	0	47,420	47,420	0
► Other taxable returns [16]	48	48	0	43,041	43,041	0

Footnotes on next page.

Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2012—Continued**Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals when possible.

- [1] Protection of the revenue base comprises any action taken by the IRS to prevent the release of funds from the U.S. Treasury in response to taxpayer efforts to recoup all, or part, of previously assessed and paid tax.
- [2] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Also excludes returns of tax-exempt organizations; Government entities; employee retirement benefit plans; and tax-exempt bond returns; and information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1).
- [3] Field examinations are generally performed in person by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [4] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [5] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [6] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [7] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [8] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [9] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).
- [10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 16.
- [11] Forms 1120-C are filed by cooperative associations. Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC).
- [12] Includes returns with assets of less than \$10 million.
- [13] Includes returns with assets of \$10 million or more.
- [14] Includes Form 1041 (income tax return for estates and trusts) and Form 1041-N (income tax return for electing Alaska Native settlement trusts).
- [15] Includes Form 706 (estate and generation-skipping transfer tax return).
- [16] Includes Forms 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

NOTES:

Detail may not add to totals because of rounding.

This table includes information on examinations that prevented the erroneous payment of refunds. For information on all examinations of individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, and other taxable returns, along with partnership, S corporation and other nontaxable returns, see Table 9a.

The number of taxable returns examined involving protection of the revenue base decreased from 101,212 in Fiscal Year 2011 to 55,714 in Fiscal Year 2012. In Fiscal Year 2011, over half of these returns (56,428) were related to the First-Time Homebuyer Credit, which was available to eligible taxpayers who purchased their homes between April 8, 2008, and May 1, 2010. The First-Time Homebuyer Credit was enacted as part of the American Recovery and Reinvestment Act of 2009 and the Worker, Homeowner, and Business Assistance Act of 2009.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2012

[Money amounts are in thousands of dollars]

Type and size of return	Taxable returns examined resulting in refunds [1]			Recommended refunds		
	Total	Field [2]	Correspondence	Total	Field [2]	Correspondence
	(1)	(2)	(3)	(4)	(5)	(6)
United States, total	61,711	33,946	27,765	8,193,901	7,899,937	293,964
► Individual income tax returns, total	53,910	26,466	27,444	980,730	718,944	261,786
▷ Returns with total positive income under \$200,000 [3]:						
► Nonbusiness returns without Earned Income Tax Credit:						
Without Schedules C, E, F, or Form 2106 [4]	12,803	2,887	9,916	82,300	32,379	49,921
With Schedule E or Form 2106 [5]	6,242	3,720	2,522	54,219	35,654	18,565
► Business returns without Earned Income Tax Credit:						
Nonfarm business returns by size of total gross receipts [6]:						
Under \$25,000	5,242	2,478	2,764	28,339	12,452	15,887
\$25,000 under \$100,000	3,632	2,637	995	17,461	12,381	5,080
\$100,000 under \$200,000	1,783	1,583	200	14,206	12,931	1,275
\$200,000 or more	1,645	1,553	92	24,611	24,088	523
Farm returns	845	655	190	5,869	3,783	2,086
► Business and nonbusiness returns with Earned Income Tax Credit by size of total gross receipts [6, 7]:						
Under \$25,000	7,704	1,120	6,584	76,933	6,565	70,368
\$25,000 or more	1,540	957	583	17,313	8,292	9,021
▷ Returns with total positive income of at least \$200,000 and under \$1,000,000 [3]:						
Nonbusiness returns	5,046	3,396	1,650	111,087	97,513	13,574
Business returns	3,503	2,779	724	66,019	61,245	4,774
▷ Returns with total positive income of \$1,000,000 or more [3]	3,914	2,696	1,218	482,347	411,646	70,701
▷ International returns [8]	11	5	6	26	15	11
► Corporation income tax returns, except Form 1120-S, total [9]	3,048	3,010	38	6,723,710	6,703,583	20,127
▷ Returns other than Forms 1120-C and 1120-F [10]:						
► Small corporations [11]	1,208	1,197	11	60,662	60,648	14
No balance sheet returns	136	136	0	19,939	19,939	0
Balance sheet returns by size of total assets:						
Under \$250,000	385	378	7	3,996	3,984	12
\$250,000 under \$1,000,000	314	d	d	5,216	d	d
\$1,000,000 under \$5,000,000	282	d	d	13,401	d	d
\$5,000,000 under \$10,000,000	91	91	0	18,110	18,110	0
► Large corporations [12]	1,796	1,774	22	6,624,555	6,604,753	19,802
Balance sheet returns by size of total assets:						
\$10,000,000 under \$50,000,000	382	375	7	81,376	77,039	4,337
\$50,000,000 under \$100,000,000	181	181	0	53,027	53,027	0
\$100,000,000 under \$250,000,000	287	d	d	160,321	d	d
\$250,000,000 under \$500,000,000	185	d	d	195,386	d	d
\$500,000,000 under \$1,000,000,000	172	169	3	232,239	230,570	1,669
\$1,000,000,000 under \$5,000,000,000	306	302	4	848,644	834,893	13,751
\$5,000,000,000 under \$20,000,000,000	159	159	0	1,647,671	1,647,671	0
\$20,000,000,000 or more	124	124	0	3,405,891	3,405,891	0
▷ Form 1120-C returns [10]	7	d	d	4,460	d	d
▷ Form 1120-F returns [10]	37	d	d	34,033	d	d
► Estate and trust income tax returns [13]	416	176	240	47,555	35,676	11,879
► Estate tax returns, total [14]	749	749	0	157,472	157,472	0
▷ Size of gross estate:						
Under \$5,000,000	293	293	0	29,230	29,230	0
\$5,000,000 under \$10,000,000	229	229	0	41,153	41,153	0
\$10,000,000 or more	227	227	0	87,089	87,089	0
► Gift tax returns	55	55	0	3,614	3,614	0
► Employment tax returns	999	999	0	93,569	93,569	0
► Excise tax returns	2,468	2,458	10	137,902	137,899	3
► Other taxable returns [15]	66	33	33	49,349	49,180	169

Footnotes on next page.

Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2012—Continued**Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals, when possible.

- [1] Excludes excise tax returns filed with the U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau. Also excludes returns of tax-exempt organizations; Government entities; employee retirement benefit plans; and tax-exempt bond returns; and information returns (e.g., Forms 1098, 1099, 5498, W-2, and W-2G, and Schedule K-1).
- [2] Field examinations are generally performed in person by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners. However, some field examinations may ultimately be conducted through correspondence in order to better serve the taxpayer.
- [3] In general, total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and, thus, excludes losses. Examinations of individual income tax returns are shown in this table by total positive income of: under \$200,000; at least \$200,000 and under \$1,000,000; and \$1,000,000 or more.
- [4] Includes Forms 1040 without a Schedule C (nonfarm sole proprietorship), Schedule E (supplemental income and loss), Schedule F (profit or loss from farming), or Form 2106 (employee business expenses).
- [5] Includes Forms 1040 with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses) but without a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [6] Total gross receipts is the sum of gross receipts from farm and nonfarm businesses. It is calculated by adding the positive values of gross receipts and other income from Schedule C and gross income (which can be positive or negative) from Schedule F. Schedule C is used to report profit or loss from nonfarm sole proprietorships. Schedule F is used to report profit or loss from farming. If a taxpayer reports both farm and nonfarm income, the return is classified by the larger source of income.
- [7] Includes all Forms 1040, those with and without business income, reporting an Earned Income Tax Credit claim. These returns are classified by size of total gross receipts. Business returns have total gross receipts reported on Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming). Nonbusiness returns, those with no Schedules C or F, are reported in the "Under \$25,000" classification.
- [8] Includes Forms 1040-PR (self-employment income tax return for Puerto Rico residents) and 1040-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents).
- [9] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-A (corporation income tax return, short form); 1120-F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-ND (return for nuclear decommissioning funds); 1120-PC (property and casualty insurance company income tax return); 1120-REIT (real estate investment trust income tax return); 1120-RIC (regulated investment company income tax return); and 1120-SF (income tax return for settlement funds). Excludes certain other types of corporation returns, which are included in "other taxable returns" described in footnote 15.
- [10] Forms 1120-C are filed by cooperative associations. Forms 1120-F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120-L); foreign property and casualty insurance companies (Form 1120-PC); or foreign sales corporations (Form 1120-FSC).
- [11] Includes returns with assets of less than \$10 million.
- [12] Includes returns with assets of \$10 million or more.
- [13] Includes Form 1041 (income tax return for estates and trusts) and Form 1041-N (income tax return for electing Alaska Native settlement trusts).
- [14] Includes Form 706 (estate and generation-skipping transfer tax return).
- [15] Includes Forms 1120-FSC (foreign sales corporation income tax return); 1120-S for S corporations reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); and 8804 (partnership withholding tax return).

NOTES:

Detail may not add to totals because of rounding.

This table provides information on examinations that resulted in additional refunds paid to the taxpayer and the amount of refunds recommended. For information on all examinations of individual income tax, corporation income tax, estate and trust income tax, estate tax, gift tax, employment tax, excise tax, and other taxable returns, along with partnership, S corporation, and other nontaxable returns, see Table 9a.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis.

Table 13. Returns of Tax-Exempt Organizations, Employee Retirement Plans, Government Entities, and Tax-Exempt Bonds Examined, by Type of Return, Fiscal Year 2012

Type of return	Number of returns
Tax-exempt organization, employee retirement plan, government entity, and tax-exempt bond returns examined in Fiscal Year 2012, total	26,576
Tax-exempt organizations:	
Tax-exempt organization returns processed in Calendar Year 2011 [1]	798,903
Tax-exempt organization and related taxable returns examined in Fiscal Year 2012, total	10,743
Tax-exempt organization returns, total	3,043
Forms 990 and 990-EZ	2,918
Forms 990-PF, 1041-A, 1120-POL, and 5227	125
Related taxable returns, total	7,700
Form 1120 [2]	18
Employment tax returns [3]	5,893
Form 990-T [4]	1,160
Form 4720 [5]	198
Forms 1040, 1041, 1065, and 1120 adjusted [6]	214
Forms 11-C and 730 [7]	217
Employee retirement plans:	
Employee retirement plan returns processed in Calendar Year 2011 [8]	1,067,360
Employee retirement plan and related taxable returns examined in Fiscal Year 2012, total [9]	10,446
Employee retirement plan returns, total	7,731
Form 5500	4,926
Defined benefit	835
Defined contribution	4,091
Form 5500-EZ	385
Defined benefit	101
Defined contribution	284
Form 5500-SF	2,420
Defined benefit	196
Defined contribution	2,224
Related taxable returns, total	1,257
Form 5330 [10]	861
Form 990-T [4]	13
Forms 1040, 1041, 1065, and 1120 adjusted [6]	383
Government entity and tax-exempt bonds:	
Government entity and tax-exempt bond returns examined in Fiscal Year 2012, total	5,387
Tax-exempt bond returns, total [11]	1,152
Government entity returns, total [12]	4,235
Employment tax returns [3]	2,967
Forms 1040, 1041, 1065, and 1120 adjusted [6]	586
Form 990-T [4]	598
Forms 11-C and 730 [7]	84

[1] Includes primary information and taxable returns filed by tax-exempt organizations including Forms 990 (tax-exempt organization information return, long form); 990-EZ (tax-exempt organization information return, short form); 990-PF (private foundation information return); 1041-A (information return of charitable contribution deductions by certain trusts); 1120-POL (income tax return for certain political organizations); and 5227 (split-interest trust information return). Excludes related taxable returns and 389,526 Forms 990-N (electronic notice (e-Postcard) for tax-exempt organizations not required to file Forms 990 or 990-EZ).

[2] Includes Form 1120 (corporation income tax return) of revoked private foundations.

[3] Includes Forms 940 (employer's Federal unemployment tax return); 941 (employer's quarterly tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943 (employer's tax return for agricultural employees); 944 (employer's annual tax return); 945 (tax return of withheld income tax from nonpayroll distributions); and 1042 (tax return of withheld income tax on U.S.-source income of foreign persons).

[4] Form 990-T is the tax-exempt organization unrelated business income tax return.

[5] Form 4720 is used to report excise taxes on exempt organizations and related individuals.

[6] Form 1040 series (individual returns); 1041 (estate and trust return); Form 1065 (partnership return); or Form 1120 series (corporation returns) adjusted as a result of examination of a tax-exempt organization, employee retirement plan, or government entity, as applicable.

[7] Form 11-C reports the occupational tax for wagering and Form 730 reports the excise tax on wagering.

[8] Includes Forms 5500 (employee benefit plan return); 5500-EZ (one-participant retirement plan return); and 5500-SF (short form return of small employee benefit plan).

[9] Includes 1,458 examinations of plans that were not required to file a return and are, therefore, not categorized by form type.

[10] Form 5330 is used to report excise taxes related to employee retirement plans.

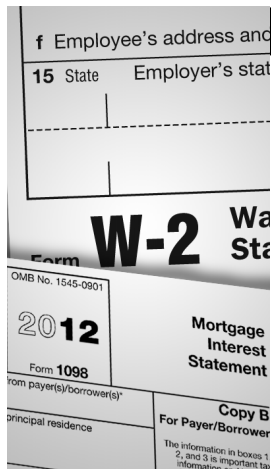
[11] Includes Forms 8038 (information return of tax-exempt private activity bond issues); 8038-B (Build America Bonds and Recovery Zone Economic Development Bonds information return); 8038-G (information return of government-purpose tax-exempt bond issues); 8038-GC (information return for consolidated small tax-exempt government bond issues); 8038-T (arbitrage rebate return); and 8038-TC (information return for tax credit bonds and specified tax credit bonds).

Table 13. Returns of Tax-Exempt Organizations, Employee Retirement Plans, Government Entities, and Tax-Exempt Bonds Examined, by Type of Return, Fiscal Year 2012—Continued**Footnotes—Continued**

[12] Includes returns of Federal, State, local, and Indian Tribal governments. Although these entities do not have an income tax return filing requirement, they are subject to excise and employment taxes.

NOTE: In general, examination activity is associated with returns filed in the previous calendar year.

SOURCE: Tax Exempt and Government Entities.



Enforcement: Information Reporting and Verification

The IRS uses tools other than examinations to identify and resolve taxpayer errors. In addition to receiving information on self-reported income and tax on returns filed by taxpayers, the IRS gathers independent information about income received and taxes withheld from information returns, such as Forms W-2 and 1099 filed by employers and other third parties. With its Automated Underreporter Program, the IRS matches these information returns to tax returns and contacts taxpayers to resolve discrepancies. In the Automated Substitute for Return Program, the IRS uses information returns from third parties to identify tax return delinquencies (nonfilers); construct tax returns for certain nonfilers based on that third-party information; and assess tax, interest, and penalties based on the substitute returns.

Table 14 provides information about both the Automated Underreporter Program and the Automated Substitute for Return Program. During Fiscal Year (FY) 2012, the IRS received more than 2.2 billion third-party information returns, nearly 88.8 percent of which were filed electronically. Under its Automated Underreporter Program, the IRS closed more than 4.5 million cases in which it identified a discrepancy between the taxpayer return and third-party information, resulting in more than \$7.1 billion in additional assessments. In FY 2012, under its Automated Substitute for Return Program, the IRS closed 803 thousand cases in which a tax return delinquency was identified for nonfilers, resulting in almost \$6.7 billion in additional assessments.

During the routine processing of tax returns, the IRS also checks for mathematical and clerical errors before refunds are paid. Table 15 shows the types of errors made on returns processed. For Tax Year (TY) 2011 individual income tax returns processed during Calendar Year 2012, IRS sent more than 2.0 million notices to taxpayers for over 2.7 million math errors identified on their returns.

Table 14. Information Reporting Program, Fiscal Year 2012

Item	Number or amount
Number of information returns received (thousands) [1]:	
Total	2,237,297
Paper	38,634
Electronic	1,986,093
Other [2]	212,570
Automated Underreporter Program [3]:	
Number of contacts (closed cases, thousands) [4]	4,525
Amount of additional assessments (thousands of dollars) [5]	7,112,605
Number of full-time equivalent positions [6]	2,217
Automated Substitute for Return Program [7]:	
Number of contacts (closed cases, thousands) [4]	803
Amount of additional assessments (thousands of dollars) [8]	6,664,843
Number of full-time equivalent positions [6]	239

[1] Includes Forms 1042-S (foreign person's U.S. source income subject to withholding); the Form 1098 series (including mortgage interest, student loan interest, and tuition payments); the Form 1099 series (including interest and dividend distributions); the Form 5498 series (including individual retirement arrangement and medical savings account information); Forms W-2 (wage and tax statements); Forms W-2G (certain gambling winnings); and Schedules K-1 (partnership, S corporation, and estate or trust distributions). Information from these forms and schedules is matched to that reported on income tax returns.

[2] Includes Forms 1099-SSA; RRB-1099; and W-2 processed by the Social Security Administration.

[3] Under the Automated Underreporter Program, the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify unreported income on returns filed by taxpayers.

[4] Reflects the number of closed cases for which a notice was issued to a taxpayer.

[5] Excludes interest and penalties.

[6] Reflects the total staff hours expended, converted to the number of full-time positions.

[7] Under the Automated Substitute for Return Program, the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify tax return delinquencies, constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns.

[8] Includes tax and interest and penalties assessed.

SOURCES:

Wage and Investment, Compliance, Reporting Compliance, Policy, Monitoring, Analysis and Quality; Wage and Investment, Compliance, Reporting Compliance, Automated Underreporting Program; Small Business/Self-Employed, Enterprise Collection Strategy, Collection Analytics, Automation, Inventory Selection and Delivery; Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Document Matching.

Table 15. Math Errors on Individual Income Tax Returns, by Type of Error, Calendar Year 2012

Math error	Tax Year 2011 returns		Tax Year 2010 and prior-year returns	
	Number	Percentage of total	Number	Percentage of total
	(1)	(2)	(3)	(4)
Math error notices, total [1]	2,042,458	N/A	818,996	N/A
Math errors, total [1]:	2,718,015	100.0	1,236,187	100.0
Tax calculation/other taxes [2]	650,305	23.9	110,865	9.0
Exemption number/amount	414,669	15.3	255,448	20.7
Earned Income Tax Credit	363,798	13.4	110,121	8.9
Standard/itemized deduction	288,954	10.6	58,540	4.7
Child Tax Credit	143,869	5.3	34,365	2.8
First-Time Homebuyer Credit	140,685	5.2	10,334	0.8
Adjusted gross/taxable income amount	130,285	4.8	27,575	2.2
Other credits [3]	116,663	4.3	27,830	2.3
Refund/amount owed	107,731	4.0	29,173	2.4
Adjustments to income	97,161	3.6	11,098	0.9
Withholding or excess Social Security payments	85,557	3.1	23,133	1.9
Hope and American Opportunity Education Credits	66,842	2.5	20,956	1.7
Filing status	61,189	2.3	55,403	4.5
Making Work Pay Tax Credit [4]	5,780	0.2	420,622	34.0
Rebate Recovery Credit [5]	121	[6]	23,952	1.9
Other [7]	44,406	1.6	16,772	1.4

N/A—Not applicable.

[1] A math error notice to the taxpayer may address more than one type of math error. Therefore, the total number of errors exceeds the total number of notices.

[2] Includes all errors associated with the calculation and assessment of income taxes, as well as other taxes, such as self-employment tax, alternative minimum tax, and household employment tax.

[3] Encompasses all credits other than the following credits which are shown separately: Making Work Pay Tax Credit, Earned Income Tax Credit, Child Tax Credit, First-Time Homebuyer Credit, Hope and American Opportunity Education Credits, and Rebate Recovery Credit.

[4] The Making Work Pay Tax Credit was a refundable tax credit based on earned income. Available for Tax Years 2009 and 2010, it was part of the American Recovery and Reinvestment Act.

[5] Eligible taxpayers whose circumstances changed may have claimed a Rebate Recovery Credit to receive some or all of the unpaid portion of an economic stimulus payment. Economic stimulus payments were special payments to taxpayers associated with the Economic Stimulus Act of 2008.

[6] Less than 0.05 percent.

[7] Includes miscellaneous errors and unique error types not included in any other math error definitions.

NOTES:

Detail may not add to totals because of rounding.

Math errors include a variety of conditions such as computational errors, incorrectly transcribed values, and omitted entries identified during the processing of tax returns.

SOURCE: Wage and Investment, Customer Account Services, Submission Processing, Individual Master File Branch, Notices and Files.



Enforcement:

Collections, Penalties, and Criminal Investigation

The mission of the IRS's Collection function is to collect Federal taxes that have been reported or assessed but not paid, and to secure tax returns that have not been filed. Table 16 provides information on these activities. During Fiscal Year (FY) 2012, the IRS collected, net of credit transfers, over \$31.1 billion in unpaid assessments on returns filed with additional tax due.

The failure to comply with Federal tax laws may result in civil penalties. Table 17 provides information on penalties assessed and abated during FY 2012, by type of tax and type of penalty. During FY 2012, the IRS assessed almost \$26.9 billion in civil penalties. Slightly more than half of that amount, \$13.6 billion, was assessed in civil penalties on individual, and estate and trust income tax returns. The IRS also abated over \$11.3 billion in civil penalties during the year, including nearly \$5.1 billion in abatements for individual, and estate and trust income tax returns.

Individuals who deliberately fail to comply with Federal tax laws may also be subject to a criminal investigation, which could result in prosecution, fines, and imprisonment. Table 18 summarizes criminal investigation activity related to legal source tax crimes, illegal source financial crimes, and narcotics-related financial crimes. In FY 2012, IRS initiated 5,125 criminal investigations in these three areas.

Legal source tax investigations involve activities, industries, and occupations that generate legitimate income. The Legal Source Tax Crimes Program also includes cases that may threaten the tax system, such as frivolous challenges to the legitimacy of the tax laws; unscrupulous tax return preparers; and fraudulent refund schemes. During FY 2012, the IRS referred 1,401 legal source tax crime cases for prosecution.

Illegal source financial crimes relate to proceeds derived from unlawful sources, other than narcotics. These involve tax and tax-related violations, as well as money laundering. During FY 2012, the IRS referred 1,518 illegal source financial crime cases for prosecution.

The Narcotics Program investigates narcotics-related tax and money-laundering crimes. The IRS often cooperates with the Justice Department and other law enforcement agencies to accomplish its mission. During FY 2012, the IRS referred 782 narcotics-related financial crimes cases for prosecution.

Table 16. Delinquent Collection Activities, Fiscal Years 2011 and 2012

[Money amounts are in thousands of dollars]

Activity	2011	2012
Returns filed with additional tax due:		
Total yield from unpaid assessments [1]	45,270,987	44,613,336
Less: Credit transfers [1]	14,261,645	13,509,257
Equals: Net total amount collected [1]	31,009,342	31,104,079
Taxpayer delinquent accounts (thousands):		
Number in beginning inventory	10,391	10,809
Number of new accounts	8,011	8,115
Number of accounts closed	7,593	7,461
Ending inventory:		
Number	10,809	11,464
Balance of assessed tax, penalties, and interest [2]	116,262,380	124,304,282
Returns not filed timely:		
Delinquent return activity:		
Net amount assessed [3]	28,404,660	18,034,976
Amount collected with delinquent returns	1,933,279	1,690,318
Taxpayer delinquency investigations (thousands) [4]:		
Number in beginning inventory	3,700	3,862
Number of new investigations	2,404	1,973
Number of investigations closed	2,243	1,897
Number in ending inventory	3,862	3,937
Offers in compromise (thousands) [5]:		
Number of offers received	59	64
Number of offers accepted	20	24
Amount of offers accepted	154,092	195,652
Enforcement activity:		
Number of notices of Federal tax liens filed [6]	1,042,230	707,768
Number of notices of levy served on third parties [7]	3,748,884	2,961,162
Number of seizures [8]	776	733

[1] Includes amounts collected through collection activity on previously unpaid assessed taxes plus assessed and accrued penalties and interest. Assessed tax may result from voluntarily filed returns, examinations of taxpayers' returns, or a combination of both.

[2] Includes assessed penalties and interest but excludes any accrued penalties and interest. Assessed penalties and interest—usually determined simultaneously with the unpaid balance of tax—are computed on the unpaid balance of tax from the due date of the return to the date of assessment. Penalties and interest continue to accrue after the date of assessment until the taxpayer's balance is paid in full.

[3] Includes net assessment of tax, penalty, and interest amounts (less prepaid credits, withholding, and estimated tax payments) on delinquent tax returns secured by Collection activity.

[4] A delinquency investigation is opened when a taxpayer does not respond to an IRS notice of a delinquent return.

[5] An offer in compromise is an agreement between a taxpayer and the Federal Government that settles a tax liability for payment of less than the full amount owed. Absent special circumstances, an offer will not be accepted if the IRS believes the liability can be paid in full as a lump sum or through a payment agreement.

[6] Represents the number of lien requests entered into the IRS Automated Lien System.

[7] Represents the number of levies requested upon third parties by the Automated Collection System and Field Collection programs.

[8] Represents the number of seizures conducted by the Field Collection program.

NOTES:

Detail may not add to totals because of rounding.

All amounts are in current dollars.

This table reflects delinquent collection activities for all return types.

SOURCE: Small Business/Self-Employed, Enterprise Collection Strategy, Collection Planning and Governance, Enterprise Collection Plans.

Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2012 [1]

[Money amounts are in thousands of dollars]

Type of tax and type of penalty	Civil penalties assessed		Civil penalties abated [2]	
	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)
Civil penalties, total	37,910,493	26,864,993	4,994,926	11,295,909
Individual and estate and trust income taxes:				
Civil penalties, total [3]	28,502,399	13,639,029	3,105,821	5,083,419
Accuracy [4]	610,573	1,385,527	58,661	295,178
Bad check	376,238	36,658	8,978	5,631
Delinquency	3,286,784	5,189,961	803,864	2,970,749
Estimated tax	7,076,247	1,133,895	261,812	267,065
Failure to pay	17,145,505	5,632,607	1,966,739	1,514,161
Fraud	2,962	166,020	206	10,967
Other [5]	4,090	94,362	5,561	19,669
Business income taxes:				
Civil penalties, total	995,533	1,990,879	253,219	888,649
Accuracy [4, 6]	5,149	172,469	124	42,887
Bad check [6]	7,183	13,235	537	2,652
Delinquency [6]	511,926	936,031	173,773	489,419
Estimated tax [6]	198,550	193,201	8,743	77,436
Failure to pay [6]	256,385	398,138	63,274	246,999
Fraud [6]	180	38,335	5	1,652
S corporation/Partnership information [7]	16,094	233,030	1,934	7,713
Other [6]	66	6,440	4,829	19,890
Employment taxes:				
Civil penalties, total [8]	7,288,193	5,080,845	1,385,521	2,220,951
Accuracy [4]	2,964	11,946	123	327
Bad check	265,505	43,612	13,081	16,518
Delinquency	1,605,828	1,147,574	307,517	457,476
Estimated tax	4,273	21,044	757	15,937
Failure to pay	3,901,067	1,132,967	704,373	411,686
Federal tax deposits	1,507,809	2,703,540	359,638	1,318,685
Fraud	403	14,446	0	0
Other	344	5,715	32	323
Excise taxes:				
Civil penalties, total [9]	580,536	381,095	173,285	324,046
Accuracy [4]	1,131	969	134	784
Bad check	4,484	4,399	573	3,178
Daily delinquency [10]	73,878	237,506	61,630	224,979
Delinquency	179,790	32,507	19,840	13,016
Estimated tax	8,745	1,398	329	229
Failure to pay	295,339	40,980	78,282	14,669
Federal tax deposits	2,819	22,494	976	17,602
Fraud	37	612	d	d
Other	14,313	40,228	d	d
Estate and gift taxes:				
Civil penalties, total [11]	7,673	208,577	4,236	86,514
Accuracy [4]	83	4,334	17	2,584
Bad check	50	231	20	167
Delinquency	2,591	77,745	1,651	53,045
Failure to pay	4,703	56,462	2,392	27,045
Fraud	d	d	d	d
Other	d	d	d	d
Nonreturn penalties [12]	536,159	5,564,568	72,844	2,692,331

d—Not shown to avoid disclosure of information. However, the data are included in the appropriate totals.

[1] Assessments and abatements of penalties included here were recorded in Fiscal Year 2012 regardless of the tax year to which the penalty may apply.

[2] An abatement is a reduction of assessed penalties. The IRS may approve an abatement of a penalty for: IRS error; reasonable cause; administrative and collection costs not warranting collection of penalty; discharge of penalty in bankruptcy; and the IRS's acceptance of partial payment of assessed penalty.

[3] Represents penalties associated with the Form 1040 series (individual income tax return series) and Form 1041 (estate and trust income tax return).

[4] Represents penalties for negligence; substantial understatement of income tax; substantial valuation misstatement; substantial overstatement of pension liabilities; substantial estate or gift tax valuation understatement (under Internal Revenue Code section 6662); understatement of reportable transactions (under Internal Revenue Code section 6662A); and underpayment of stamp tax (under Internal Revenue Code section 6653).

[5] Represents penalties related to failure to supply taxpayer identification number and failure to report tip income.

Table 17. Civil Penalties Assessed and Abated, by Type of Tax and Type of Penalty, Fiscal Year 2012—Continued**Footnotes—Continued**

- [6] Represents penalties associated with the Form 1120 series (corporation income tax return series) and Form 990-T (tax-exempt organization unrelated business income tax return).
- [7] Represents penalties associated with failure to provide information on Forms 1065 (partnership return) or 8752 (required payment or refund for an S corporation or partnership under Internal Revenue Code section 7519), or failure to file electronically Form 1065-B (large partnership return).
- [8] Represents penalties associated with Forms 940 (employer's Federal unemployment tax return); 941 (employer's tax return for income and Social Security taxes withheld for other than household and agricultural employees); 943 (employer's tax return for agricultural employees); 944 (employer's tax return); 945 (tax return for withheld income tax from nonpayroll distributions); 1040, Schedule H (household employment taxes); 1042 (tax return of withheld income tax on U.S.-source income of foreign persons); and CT-1 (railroad retirement tax return).
- [9] Represents penalties associated with Forms 11-C (occupational tax and registration for wagering return); 720 (excise tax return); 730 (excise tax return for wagering); 990 (tax-exempt organization information return); 990-PF (private foundation return); 1041-A (information return of charitable contribution deductions by certain trusts); 2290 (heavy highway vehicle use tax return); 4720 (excise tax return of charities and other persons); and 5227 (split-interest trust information return).
- [10] Represents penalties under Internal Revenue Code sections 6652(c)(2)(A) and (B) related to tax-exempt organizations or trusts. Penalties are assessed on a daily basis for failure to file Forms 990 (tax-exempt organization information return); 1041-A (information return of charitable contribution deductions by certain trusts); 1120-POL (income tax return for certain political organizations); 5227 (split-interest trust information return); or 8886-T (disclosure by tax-exempt entity regarding prohibited tax shelter transaction).
- [11] Represents penalties associated with Forms 706 (estate tax return) and 709 (gift tax return).
- [12] Represents various penalties assessed and abated for a wide range of noncompliant behaviors, such as noncompliance related to tax return preparers and to information returns (e.g., Forms 1099, W-2, 3520-A, 8027, and 8300), as well as aiding and abetting; frivolous return filings; and misuse of dyed fuel. Also includes trust fund recovery penalties. Withheld income and employment taxes, including Social Security taxes, railroad retirement taxes, or collected excise taxes, are collectively called trust fund taxes because employers actually hold the employee's money in trust until they make a Federal tax deposit in that amount. Trust fund recovery penalties are assessed when these employment taxes are not collected, accounted for, and paid timely. The amount of trust fund recovery penalties credited in Fiscal Year 2012 was \$880,037 thousand and is included in the amount abated.

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

SOURCE: Chief Financial Officer, Financial Management.

Table 18. Criminal Investigation Program, by Status or Disposition, Fiscal Year 2012

Status or disposition	Total	Legal source tax crimes [1]	Illegal source financial crimes [2]	Narcotics-related financial crimes [3]
	(1)	(2)	(3)	(4)
Investigations initiated	5,125	2,291	1,880	954
Investigations completed	4,937	2,057	1,903	977
Referrals for prosecution	3,701	1,401	1,518	782
Investigations completed without prosecution	1,236	656	385	195
Indictments and Informations [4]	3,390	1,161	1,486	743
Convictions	2,634	892	1,123	619
Sentenced	2,466	824	1,098	544
Incarcerated [5]	2,009	673	850	486
Percentage of those sentenced who were incarcerated [5]	81.5	81.7	77.4	89.3

[1] Under the Legal Source Tax Crimes Program, IRS Criminal Investigation identifies, investigates, and assists in the prosecution of crimes involving legal industries, legal occupations, and, more specifically, legally earned income associated with the violation of Title 26 (tax violations) and Title 18 (tax-related violations) of the U.S. Code. The Legal Source Tax Crimes Program also includes those cases that threaten the tax system, such as Questionable Refund Program (QRP) cases, unscrupulous return preparers, and frivolous filers/nonfilers who challenge the legality of the filing requirements. Excise tax and employment tax cases are also important elements of the Legal Source Tax Crimes Program.

[2] Under the Illegal Source Financial Crimes Program, IRS Criminal Investigation identifies, investigates, and assists in the prosecution of crimes involving proceeds derived from illegal sources other than narcotics. These encompass all tax and tax-related violations, as well as money-laundering and currency violations under the following statutes: Title 26 (tax violations); Title 18 (tax-related and money-laundering violations); and Title 31 (currency violations) of the U.S. Code. The utilization of forfeiture statutes to deprive individuals and organizations of illegally obtained assets is also linked to the investigation of criminal charges within this program.

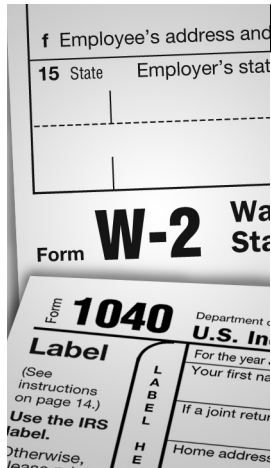
[3] Under the Narcotics-Related Financial Crimes Program, IRS Criminal Investigation seeks to identify, investigate, and assist in the prosecution of the most significant narcotics-related tax and money-laundering offenders. The IRS derives authority for this program from the statutes for which it has jurisdiction: Title 26 (tax violations); Title 18 (tax-related and money-laundering violations); and Title 31 (currency violations) of the U.S. Code. IRS Criminal Investigation also devotes resources to high-level multiagency narcotics investigations warranting Organized Crime Drug Enforcement Task Force (OCDETF) designation in accordance with OCDETF Program reimbursable funding.

[4] Both "indictments" and "informations" are accusations of criminal charges. An "indictment" is an accusation made by a Federal prosecutor and issued by a Federal grand jury. An "information" is an accusation brought by a Federal prosecutor without the requirement of a grand jury.

[5] The term "incarcerated" may include prison time, home confinement, electronic monitoring, or a combination thereof.

NOTE: Investigations may cross fiscal years. Therefore, the disposition of investigations shown in this table may be related to investigations initiated in prior years.

SOURCE: Criminal Investigation, Communications and Education Division.



Taxpayer Assistance

The IRS assists taxpayers in meeting their Federal tax return filing and payment obligations in a variety of ways, such as through its telephone helpline, via the Internet, at IRS walk-in sites, and through volunteer income tax return preparers. Table 19 provides information about some of the programs and services designed to help taxpayers. In Fiscal Year (FY) 2012, the IRS provided taxpayer assistance through 372.5 million visits to IRS.gov and assisted nearly 96.9 million taxpayers through its toll-free telephone helpline or at walk-in sites.

Table 20 provides information about the Taxpayer Advocate Service (TAS). TAS is an independent organization within the IRS that helps taxpayers resolve problems with the IRS and recommends changes that will prevent those problems in the future. Taxpayers may submit an application for assistance to TAS. In FY 2012, TAS received 219,666 new requests for assistance and closed 232,508 cases, including those received in a prior fiscal year.

Table 21 provides information on the workload of IRS's Appeals Office. The mission of Appeals is to resolve tax controversies, without litigation, on a basis that is fair and impartial to both the taxpayer and the Federal Government. The Appeals Office considers cases that involve examination, collection, and penalty issues. Taxpayers who disagree with IRS findings in their cases may request an Appeals hearing. The local Appeals Office is separate and independent of the IRS office that proposed the tax adjustment, collection action, or penalty. During FY 2012, the IRS Appeals Office received 135,061 new cases and closed 144,453 cases, including those received in a prior fiscal year.

Table 19. Selected Taxpayer Assistance and Education Programs, by Type of Assistance or Program, Fiscal Year 2012

Type of assistance or program	Number or percentage
Call and walk-in assistance, total	96,867,755
Toll-free assistance calls [1]:	
Automated	59,230,182
Live	30,788,921
Taxpayer Assistance Center contacts [2]	6,848,652
Accuracy of toll-free telephone assistance:	
Tax law questions (percentage accurate)	93.2
Account questions (percentage accurate)	95.6
Forms and publications (paper products):	
Orders for forms, publications, and paper products	3,221,226
Number of Non-IRS outlets stocking paper products [3]	15,056
Assistance provided through the Internet (IRS.gov):	
IRS Web site usage [4]:	
Number of visits	372,520,593
Number of page views	1,764,345,101
Number of downloads	361,865,547
IRS Video Portal views [5]	5,931,010
Electronic transactions, total	153,988,617
"Where's My Refund" inquiries	132,308,000
Transcript Delivery System requests [6]	5,688,070
Online Employer Identification Number applications	3,373,942
Disclosure authorizations [7]	332,198
Electronic Filing Personal Identification Numbers [8]	12,286,407
Disaster and emergency assistance:	
Disaster incidents [9]:	
State incidents	14
County/city incidents	144
Taxpayers assisted:	
Number of toll-free disaster hot line calls	48,409
Number of taxpayers assisted at Disaster Recovery Centers	2,120
Taxpayer education and tax return preparation for individual taxpayers:	
Returns prepared through Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs	3,264,997
Volunteers assisting in taxpayer education and return preparation programs	98,978
Volunteer Tax Preparation Assistance sites	13,143
Taxpayer outreach for small business and self-employed taxpayers:	
Number of events [10]	4,704
Number of participants	163, 920
Number of electronic newsletter subscriptions [11]	655,512

[1] Includes calls answered by Customer Account Services and automated calls (including TeleTax and Tax Exempt and Government Entities Division), but excludes calls answered by Automated Collection Services.

[2] Includes contacts at 397 IRS Taxpayer Assistance Centers and alternative IRS sites (libraries and post offices). Excludes Volunteer Income Tax Assistance and Tax Counseling for the Elderly sites, which are shown separately in this table.

[3] Represents the number of organizations that distribute paper forms and publications or make reproducible forms and publications available. Some organizations may have multiple branches.

[4] An increasing number of taxpayers receive assistance via IRS.gov. This online assistance is reported as visits, page views, and downloads. A Web site visit is a session that begins when a user views his or her first Web page and ends when the user leaves the IRS.gov Web site. Users may access multiple Web pages during a single visit to the IRS Web site; these are counted as page views. A download is the process of copying a file, such as Form 1040, from the IRS.gov Web site to the user's personal computer.

[5] The IRS Video Portal provides information through audio and video presentations, as well as webinars (electronic seminars) on a variety of tax-related topics.

[6] The Transcript Delivery System enables authorized tax practitioners to order tax account, tax return transcript, and other tax information for their business and individual clients. Requests are returned to the practitioner's computer through a secure online connection within minutes of the request.

[7] Eligible tax practitioners may electronically request authorization to receive a client's tax account information or to represent the client before the IRS. This e-service expedites processing and issues a real-time acknowledgment of accepted submissions.

[8] An Electronic Filing Personal Identification Number can be used in lieu of the prior-year adjusted gross income to verify a taxpayer's identity for electronic filing.

[9] Reflects events for which the Federal Emergency Management Agency designated major disaster areas and the IRS granted administrative tax relief.

[10] Includes Tax Practitioner Institutes, Small Business Forums, Small Business Tax Workshops, tax practitioner and payroll provider meetings, governmental contacts, and miscellaneous stakeholder meetings and events.

[11] Includes electronic newsletter subscriptions targeted to small business owners, to tax professionals, and to payroll providers.

SOURCES:

Wage and Investment, Strategy and Finance, Program Management; Online Services, Online Experience and Operations Management; and Small Business/Self-Employed, Communications and Stakeholder Outreach.

Table 20. Taxpayer Advocate Service: Postfiling Taxpayer Assistance Program, by Type of Issue and Relief, Fiscal Year 2012

Type of issue and relief	Number	Percentage of total
Taxpayer Advocate Service cases received, by type of issue [1]:		
Total	219,666	100.0
Stolen identity	54,748	24.9
Pre-refund wage verification hold	18,012	8.2
Levies	11,419	5.2
Examination reconsideration	9,344	4.3
Open examination	8,885	4.0
Processing amended returns	8,783	4.0
Earned Income Tax Credit	7,441	3.4
Processing original returns	6,250	2.8
Expediting refund requests	5,726	2.6
IRS offset to IRS tax liabilities	5,298	2.4
Unpostable and rejected returns	5,286	2.4
Installment agreements	4,449	2.0
Injured spouse claims	4,115	1.9
Closed Automated Underreporter Program [2]	3,696	1.7
Other refund inquiries/issues	3,572	1.6
All others	62,642	28.5
Taxpayer Advocate Service cases closed, by type of resolution [1]:		
Total	232,508	100.0
Relief provided to taxpayer, total	178,869	76.9
Taxpayer Assistance Order issued [3, 4]	332	0.1
No Taxpayer Assistance Order issued [3]	178,537	76.8
Full relief	166,580	71.6
Individual taxpayer issue [5]	151,488	65.2
Systemic issue [6]	15,092	6.5
Partial relief	11,957	5.1
Individual taxpayer issue [5]	10,899	4.7
Systemic issue [6]	1,058	0.5
No relief provided to taxpayer, total	53,639	23.1
Taxpayer Assistance Order rescinded [3, 4]	21	[7]
No Taxpayer Assistance Order issued [3]	53,618	23.1
No response from taxpayer	28,521	12.3
Relief provided prior to Taxpayer Advocate Service intervention	11,602	5.0
Taxpayer withdrew application for assistance	3,041	1.3
Tax law precluded relief	1,258	0.5
Hardship not related to revenue laws	771	0.3
Hardship not validated	674	0.3
All others	7,751	3.3
Congressional inquiries [8]	17,470	N/A

N/A—Not applicable.

[1] The Taxpayer Advocate Service generally receives cases from any of the following sources: IRS employee referrals based on IRS guidance; direct taxpayer requests for assistance (by phone, in person, outreach activities, or through correspondence); practitioners; and Congressional office referrals. Cases may be received in one fiscal year and closed in another.

[2] Under the Automated Underreporter Program, the IRS uses information returns from third parties to identify unreported income on returns filed by taxpayers.

[3] The National Taxpayer Advocate has the authority to issue a Taxpayer Assistance Order (TAO) when a taxpayer is suffering or about to suffer a significant hardship as a result of the manner in which the Internal Revenue laws are being administered if relief is not granted. A TAO directs an IRS organizational unit to take a specific action or to review, expedite consideration of, or reconsider a taxpayer's case. However, in the majority of cases, the Taxpayer Advocate Service can resolve taxpayers' issues without issuing TAOs.

[4] Taxpayer Assistance Orders (TAOs) may be issued in one fiscal year and closed in another. In Fiscal Year 2012, some 434 TAOs were issued, and 353 TAOs were closed (332 were closed with relief provided to the taxpayer, and 21 were rescinded).

[5] A single issue (applicable to an individual, corporation, or other entity) that requires a change or modification to an account.

[6] Requires a change or modification to an established procedure, process, or operation (e.g., computer program) that potentially impacts more than one taxpayer.

[7] Less than 0.05 percent.

[8] In this table, "Congressional inquiries" (related to constituents' tax accounts) refers to those applications for taxpayer assistance received from Congressional offices during the fiscal year. This item is shown separately for information purposes, but counts are included in the data above.

NOTES:

Detail may not add to totals because of rounding.

The Taxpayer Advocate Service is an independent organization within the IRS that helps taxpayers resolve problems with the IRS and recommends changes that will prevent these problems.

SOURCE: Taxpayer Advocate Service, Business Assessment.

Table 21. Appeals Workload, by Type of Case, Fiscal Year 2012

Type of case	Cases received	Cases closed	Cases pending September 30, 2012
	(1)	(2)	(3)
Total cases [1]	135,061	144,453	66,293
Collection Due Process [2]	51,126	59,470	24,458
Examination [3]	42,454	42,385	26,001
Penalty Appeals [4]	11,507	11,183	3,469
Offers in Compromise [5]	9,496	10,164	4,411
Innocent Spouse [6]	2,703	3,025	2,006
Industry Cases [7]	2,276	1,919	2,465
Coordinated Industry Cases [8]	120	396	430
Other [9]	15,379	15,911	3,053

- [1] A case represents a taxpayer with one type of tax and one or more tax periods under consideration in Appeals. Cases that are temporarily assigned to Chief Counsel are not included.
- [2] Cases where a taxpayer requested a hearing with an independent Collection Due Process (CDP) officer in response to a notice of Federal tax lien or notice of intent to levy. The CDP hearing provides the taxpayer an opportunity, early in the collection process, to work with an independent hearing officer to resolve the collection of the taxpayer's liability.
- [3] An Examination case in Appeals involves issues in dispute by the taxpayer relating to income tax, employment tax, excise tax, estate tax, gift tax, or tax-exempt status.
- [4] A Penalty Appeals case is one in which the taxpayer requests abatement of a civil penalty that was assessed before the taxpayer was given an opportunity to dispute the penalty. The taxpayer may submit a written request for abatement of the penalty, and if the request is denied, the taxpayer may appeal.
- [5] An Offer in Compromise is an agreement between a taxpayer and the Federal Government that settles a tax liability for payment of less than the full amount owed. The IRS may reject a taxpayer's offer, and the taxpayer may request that Appeals review and decide whether the offer is acceptable.
- [6] Cases in which a taxpayer who filed a joint return with a spouse or ex-spouse may apply for relief of tax, interest, and penalties if he/she meets specific requirements. An Innocent Spouse case in Appeals is one in which the taxpayer requested and was denied innocent spouse relief by the IRS. Revisions to the equitable relief provisions of the Innocent Spouse Program in Fiscal Year 2011 significantly affected the number of Innocent Spouse cases received.
- [7] An Industry Case is any type of case that is not designated as a Coordinated Industry Case (CIC). An industry case taxpayer may appeal the findings of an examination conducted by the IRS. See footnote 8.
- [8] A Coordinated Industry Case (CIC) designation may be assigned to a large corporate taxpayer based on factors such as the taxpayer's gross assets, gross receipts, operating entities, industries, and/or foreign assets. A CIC taxpayer may appeal the findings of an examination conducted by the IRS.
- [9] Cases considered by Appeals involving issues related to Abatement of Interest, Collection Appeals Program, Office of Professional Responsibility, Freedom of Information Act, Trust Fund Recovery Penalty, Collection Due Process Timeliness Determination, and other miscellaneous penalties are grouped into the "Other" category and are defined below:
- Abatement of Interest*—cases of disputed interest on tax deficiencies or payments in which IRS errors or delays may have contributed to the assessed interest.
- Collection Appeals Program*—Provides the taxpayer, or a third party whose property is subject to a collection action, an administrative appeal for certain collection actions including levy or seizure action that was or will be taken, notice of Federal tax lien that was or will be filed, and rejected or terminated installment agreements.
- Office of Professional Responsibility*—A tax professional may appeal the findings of the IRS Office of Professional Responsibility (OPR) (formerly the IRS Office of the Director of Practice). OPR has oversight responsibility for tax professionals and investigates allegations of misconduct and negligence against attorneys, certified public accountants, enrolled agents, and other practitioners representing taxpayers before the IRS. In addition, IRS e-file applicants and providers may request an administrative review when the applicant is denied participation in IRS e-file or the provider is sanctioned while participating in IRS e-file.
- Freedom of Information Act*—A taxpayer may appeal the denial of a request for records made under the Freedom of Information Act.
- Trust Fund Recovery Penalty*—An employer is required to pay trust fund taxes to the U.S. Treasury through Federal Tax Deposits. Withheld income and employment taxes, including Social Security taxes, railroad retirement taxes, or collected excise taxes, are collectively called trust fund taxes because employers actually hold the employee's money in trust until they make a Federal tax deposit in that amount. A Trust Fund Recovery Penalty applies to the responsible person(s) for the total amount of trust fund taxes evaded, not collected, or not accounted for and not paid to the U.S. Treasury. The taxpayer may appeal Collection's determination.
- Collection Due Process Timeliness Determination*—When a taxpayer's request for a Collection Due Process hearing or an equivalent hearing is not received timely or the request cannot be processed, Appeals may review the request and make a separate timeliness determination.
- Other Penalties*—This subcategory includes a variety of different types of penalties that may be appealed. Tax return preparers may appeal penalties imposed under Internal Revenue Code (IRC) sections 6694 and 6695 for understatement of a taxpayer's tax liability or with respect to preparation of a tax return. Tax shelter promoters may appeal penalties imposed under IRC sections 6700 or 6701 for aiding and abetting an understatement of tax liability. A penalty imposed under IRC section 6715 for Dyed Diesel Fuel may be appealed. A taxpayer may appeal the denial of an application for an extension of time to pay estate tax under the provisions of IRC section 6161. Also includes penalties imposed under other code sections not specified in this note.

SOURCE: Appeals, Strategic Planning, Measures Analysis.

Form **990** **Return**
 Department of the Treasury
 Internal Revenue Service

A For the 2012 calendar year, or tax year
B Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization
 Doing Business As
 Number and street
 City, town or post office

F Name and address

1023
 June 2009
 Department of the Treasury
 Internal Revenue Service

Application for Recognition of Exempt Status
Under Section 501(c)(3) of the Internal Revenue Code

Use the instructions to complete this application and for a determination of exempt status. For more information, see the instructions for Form 1023. Organizations Customer Account Services toll-free at 1-877-839-9835. If the required information and documents are not provided, the application may be returned to you. Attach additional sheets to this application if you need more space. Identify each answer by Part and line number. Complete Part I only.

Tax-Exempt Activities

The IRS devotes significant resources to meeting the special needs of tax-exempt organizations, employee retirement benefit plans, and Government entities in complying with tax laws. While these entities are not subject to Federal income tax, they nonetheless represent a significant aspect of tax administration. While information on the administration, processing, and examination of returns filed by these entities is provided throughout the *IRS Data Book*, this section focuses on issues related to governance.

Table 22 summarizes IRS activities, such as issuing technical guidance, to assist tax-exempt entities and facilitate their compliance with Federal tax laws. Table 23 provides information about applications for determination of tax-exempt status for employee retirement plans. Table 24 provides information about applications for tax-exempt status that were closed during Fiscal Year (FY) 2012. Table 25 shows the total number of approved tax-exempt organizations for Fiscal Years 2011 and 2012.

In FY 2012, the IRS closed 60,793 applications for tax-exempt status and other determinations. Of those, the IRS approved tax-exempt status for 52,615 organizations. In FY 2012, the IRS recognized more than 1.6 million tax-exempt organizations and nonexempt charitable trusts.

Table 22. Tax-Exempt Guidance and Other Regulatory Activities, Fiscal Year 2012

Activity	Total	Employee retirement plans	Tax-exempt organizations	Tax-exempt bonds
	(1)	(2)	(3)	(4)
Total	8,809	7,607	1,111	91
Guidance [1]	54	39	15	N/A
Technical activities	2,366	1,270	1,096	N/A
Requests for rulings	760	403	357	N/A
Technical assistance	59	38	21	N/A
Technical advice	54	38	16	N/A
Opinion letters on prototype plans [2]	336	336	N/A	N/A
Correspondence [3]	1,157	455	702	N/A
Voluntary compliance agreements	6,389	6,298	N/A	91

N/A—Not applicable.

[1] Includes published revenue rulings, revenue procedures, regulations, notices, announcements, and information/news releases.

[2] Includes opinion letters issued to IRAs (Individual Retirement Arrangements), SEPs (Simplified Employee Pensions), and SIMPLEs (Savings Incentive Match Plans for Employees).

[3] Includes both Congressional and general correspondence.

SOURCE: Tax Exempt and Government Entities.

Table 23. Determination Letters Issued on Employee Retirement Plans, by Type and Disposition of Plan, Fiscal Year 2012

Letters issued, disposition of plan	Total determination letters	Defined benefit plans [2]	Defined contribution plans [1]								
			Total [3]	Profit- sharing [4]	Stock bonus [5]	Money purchases [6]	Target benefit [7]	Leveraged employee stock ownership plan [8]	Non-leveraged employee stock ownership plan [9]	Other	Section 401 (k) [10]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Total:											
Number of qualified plans [11]	24,397	13,508	10,889	8,366	32	867	43	460	926	195	6,162
Initial qualifications:											
Number of qualified plans	6,516	3,479	3,037	2,638	d	100	d	108	145	32	1,962
Number of participating employees [12]	3,519,230	631,475	2,887,755	1,023,378	d	49,821	d	9,943	1,595,300	8,181	774,398
Amendments:											
Number of qualified plans	15,653	9,033	6,620	4,708	24	688	29	328	700	143	3,512
Number of participating employees [12]	31,725,056	17,051,047	14,674,009	9,921,752	23,113	1,540,695	21,751	81,011	3,014,321	71,366	7,974,342
Terminations:											
Number of qualified plans	2,228	996	1,232	1,020	d	79	d	24	81	20	688
Number of participating employees [12]	2,176,710	212,410	1,964,300	1,012,595	d	211,462	d	17,445	715,141	2,589	94,379

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

[1] A defined contribution plan is a retirement plan that provides an individual account for each participant. Benefits are based solely on amounts contributed to the participant's account and any earnings on these contributions.

[2] A defined benefit plan is a retirement plan that does not maintain individual account balances that reflect the accrued benefits of each plan participant. Instead, the accrued benefit is determined by a formula stated in the plan.

[3] The total of defined contribution plans is the sum of columns 4–10, which include associated section 401 (k) arrangements and participants. See footnote 10.

[4] A profit-sharing plan is a retirement plan that gives employees a share in the profits of the company. Contributions to employee retirement accounts are determined as a percentage of annual company profits.

[5] A stock bonus retirement plan is funded by an employer's contributions of corporate stock to the retirement plan.

[6] A money purchase retirement plan is a retirement plan under which employer contributions are based on a fixed percentage of compensation. Contributions are required every year, regardless of earnings and profits.

[7] A target benefit retirement plan is similar to a defined benefit plan since employer contributions, which are mandatory, are based on projected retirement benefits. However, unlike a defined benefit plan, the benefits provided to participants at retirement are based on the performance of the investments and are therefore not guaranteed.

[8] A leveraged employee stock ownership plan (ESOP) is a retirement plan in which a company leverages its credit to borrow money to fund the retirement plan. The company uses the borrowed funds to purchase shares from the company's treasury for the retirement plan and makes annual contributions to repay the original loan.

[9] A non-leveraged employee stock ownership plan (ESOP) is a retirement plan in which a company contributes either cash to purchase outstanding shares of company stock or contributes a certain amount of shares from the company's treasury to employee accounts.

[10] Section 401 (k) arrangements and participants are reported and counted under the types of retirement plans to which they are attached (e.g., profit-sharing or stock bonus plans) and, thus, are also included in columns 4–10.

[11] Reflects retirement plans that satisfy the qualification requirements of Federal pension law. For Fiscal Year 2012, all retirement plans met these requirements.

[12] Totals may be overstated to the extent that employees participate in more than one retirement plan.

NOTE:

Some determination letter data reported in this table are not comparable to data reported in prior issues of the *IRS Data Book*. The staggered determination letter application process causes wide differences in the data from year to year.

SOURCE: Tax Exempt and Government Entities, Employee Plans.

Table 24. Closures of Applications for Tax-Exempt Status, by Organization Type and Internal Revenue Code Section, Fiscal Year 2012

Type of organization, Internal Revenue Code section	Closures of applications for tax-exempt status [1]			
	Total	Approved	Disapproved	Other [2]
	(1)	(2)	(3)	(4)
Tax-exempt organizations and other entities, total [3]	60,793	52,615	148	8,030
Section 501 (c) by subsection, total	60,780	52,608	148	8,024
(1) Corporations organized under an act of Congress	d	d	0	0
(2) Title-holding corporations	135	106	0	29
(3) Religious, charitable, and similar organizations [4]	51,748	45,029	123	6,596
(4) Social welfare organizations	2,774	2,324	8	442
(5) Labor and agriculture organizations	710	588	0	122
(6) Business leagues	1,886	1,676	12	198
(7) Social and recreation clubs	1,402	1,146	d	d
(8) Fraternal beneficiary societies	390	311	0	79
(9) Voluntary employees' beneficiary associations	106	83	d	d
(10) Domestic fraternal beneficiary societies	227	171	0	56
(11) Teachers' retirement fund associations	d	d	0	0
(12) Benevolent life insurance associations	144	119	d	d
(13) Cemetery companies	627	546	0	81
(14) State-chartered credit unions	d	d	0	0
(15) Mutual insurance companies	3	d	0	d
(19) War veterans' organizations	597	477	0	120
(25) Holding companies for pensions and other entities	26	d	0	d
Section 501 (d) Religious and apostolic associations	6	d	0	d
Section 521 Farmers' cooperatives	7	d	0	d

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

- [1] Reflects all case closures for the Exempt Organizations Determinations function. These include not only initial applications for tax-exempt status, but also other determinations, such as public charity and private foundation status determinations, advance approval of scholarship grant procedures, and group determinations of tax-exempt status.
- [2] Includes applications withdrawn by the organization; applications that did not provide the required information; incomplete applications; IRS refusals to rule on applications; IRS correction disposals; and others.
- [3] No applications were closed for corporations to finance crop operations (section 501 (c)(16)); supplemental unemployment benefit trusts (section 501 (c)(17)); employee-funded pension trusts (section 501 (c)(18)); black lung trusts (section 501 (c)(21)); multiemployer pension plans (section 501 (c)(22)); veterans' associations founded prior to 1880 (section 501 (c)(23)); trusts described in section 4049 of the Employee Retirement Income Security Act of 1974 (ERISA) (section 501 (c)(24)); State-sponsored high-risk health insurance organizations (section 501 (c)(26)); State-sponsored workers' compensation reinsurance organizations (section 501 (c)(27)); National Railroad Retirement Investment Trust (section 501 (c)(28)); and qualified nonprofit health insurance insurers (section 501 (c)(29)). Tax-exempt status for legal services organizations (section 501 (c)(20)) was revoked effective June 20, 1992.
- [4] Includes private foundations. Not all organizations described in section 501 (c)(3) must apply for tax-exempt status, including churches, interchurch organizations of local units of a church, integrated auxiliaries of a church, conventions or associations of churches, and organizations (other than private foundations as described in section 509 (a)) that have gross receipts in each taxable year normally not more than \$5,000. In addition, organizations may be recognized as tax-exempt under section 501 (c)(3) without filing an application if they are included in a group exemption letter given to an affiliated parent organization.

SOURCE: Tax Exempt and Government Entities, Exempt Organizations.

Table 25. Tax-Exempt Organizations and Nonexempt Charitable Trusts, Fiscal Years 2011 and 2012

Type of organization, Internal Revenue Code section	2011	2012
Tax-exempt organizations and nonexempt charitable trusts, total	1,629,149	1,616,053
Section 501 (c) by subsection, total	1,494,882	1,484,818
(1) Corporations organized under an act of Congress	216	449
(2) Title-holding corporations	5,176	4,933
(3) Religious, charitable, and similar organizations [1]	1,080,130	1,081,891
(4) Social welfare organizations	97,382	93,142
(5) Labor and agriculture organizations	51,586	50,046
(6) Business leagues	70,330	69,198
(7) Social and recreation clubs	57,793	56,880
(8) Fraternal beneficiary societies	53,245	50,763
(9) Voluntary employees' beneficiary associations	7,810	7,240
(10) Domestic fraternal beneficiary societies	16,678	16,432
(12) Benevolent life insurance associations	5,666	5,575
(13) Cemetery companies	9,842	9,636
(14) State-chartered credit unions	3,080	2,797
(15) Mutual insurance companies	1,104	999
(17) Supplemental unemployment benefit trusts	158	130
(19) War veterans' organizations	33,654	33,737
(25) Holding companies for pensions and other entities	922	865
Other 501 (c) subsections [2]	110	105
Section 501 (d) Religious and apostolic associations	222	224
Section 501 (e) Cooperative hospital service organizations	12	11
Section 501 (f) Cooperative service organizations of operating educational organizations	1	1
Section 501 (k) Child care organizations	2	1
Section 501 (n) Charitable risk pools	1	1
Nonexempt charitable trusts	134,029	130,997

[1] Includes private foundations. Not all organizations described in section 501 (c)(3) must apply for tax-exempt status, including churches, interchurch organizations of local units of a church, integrated auxiliaries of a church, conventions or associations of churches, and organizations (other than private foundations as described in section 509 (a)) that have gross receipts in each taxable year normally not more than \$5,000. In addition, organizations may be recognized as tax-exempt under section 501 (c)(3) without filing an application if they are included in a group exemption letter given to an affiliated parent organization.

[2] Includes teachers' retirement funds (section 501 (c)(11)); corporations to finance crop operations (section 501 (c)(16)); employee-funded pension trusts (section 501 (c)(18)); black lung trusts (section 501 (c)(21)); multiemployer pension plans (section 501 (c)(22)); veterans' associations founded prior to 1880 (section 501 (c)(23)); trusts described in section 4049 of the Employee Retirement Income Security Act of 1974 (ERISA) (section 501 (c)(24)); State-sponsored high-risk health insurance organizations (section 501 (c)(26)); State-sponsored workers' compensation reinsurance organizations (section 501 (c)(27)); and the National Railroad Retirement Investment Trust (section 501 (c)(28)). Tax-exempt status for legal services organizations (section 501 (c)(20)) was revoked effective June 20, 1992.

NOTE: Information from tax-exempt organization returns is available to the public. Therefore, data in this table are not subject to IRS disclosure regulations.

SOURCE: Tax Exempt and Government Entities, Exempt Organizations.



Chief Counsel

The IRS Chief Counsel is appointed by the President of the United States, with the advice and consent of the U.S. Senate, and serves as the chief legal advisor to the IRS Commissioner on all matters pertaining to the interpretation, administration, and enforcement of the Internal Revenue Code, as well as all other legal matters. Under the IRS Restructuring and Reform Act of 1998, the Chief Counsel reports to both the IRS Commissioner and the Treasury General Counsel.

Attorneys in the Chief Counsel's Office serve as lawyers for the IRS. They provide the IRS and taxpayers with guidance on interpreting Federal tax laws correctly, represent the IRS in litigation, and provide all other legal support required to carry out the IRS mission.

Tables 26 and 27 provide information for Fiscal Year 2012 about Chief Counsel's workload and case activity in several major categories including criminal tax, international issues, and general legal services. Chief Counsel received 95,929 cases and closed 94,323 cases during the fiscal year. Of the new cases received, and cases closed, the majority related to tax law enforcement and litigation, including Tax Court litigation; collection, bankruptcy, and summons advice and litigation; Appellate Court litigation; criminal tax; and enforcement advice and assistance.

In Fiscal Year 2012, General Counsel received 31,295 Tax Court cases involving a taxpayer contesting an IRS determination that he or she owed additional tax. The total amount of tax and penalty in dispute at the end of the fiscal year was almost \$6.6 billion.

Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case or Activity, Fiscal Year 2012

Office and type of case or activity	Cases received	Cases closed	Cases pending September 30, 2012
	(1)	(2)	(3)
Chief Counsel (All Offices):			
Total	95,929	94,323	61,665
Guidance and assistance [1]	9,702	10,425	6,435
Tax law enforcement and litigation [2]	80,564	78,255	52,714
Other legal services to the IRS [3]	5,663	5,643	2,516
Corporate:			
Total	835	851	431
Guidance and assistance	440	493	263
Tax law enforcement and litigation	292	256	157
Other legal services to the IRS	103	102	11
Criminal Tax:			
Total	8,594	8,479	945
Guidance and assistance	92	92	d
Tax law enforcement and litigation	8,469	8,354	931
Other legal services to the IRS	33	33	d
Financial Institutions and Products:			
Total	1,024	952	734
Guidance and assistance	724	681	624
Tax law enforcement and litigation	196	171	104
Other legal services to the IRS	104	100	6
General Legal Services:			
Total	3,200	3,226	2,090
Guidance and assistance	28	22	16
Tax law enforcement and litigation	13	8	26
Other legal services to the IRS	3,159	3,196	2,048
Income Tax and Accounting:			
Total	4,090	4,329	1,658
Guidance and assistance	2,887	3,137	1,373
Tax law enforcement and litigation	1,005	988	270
Other legal services to the IRS	198	204	15
International:			
Total	1,586	2,312	1,309
Guidance and assistance	904	1,640	854
Tax law enforcement and litigation	533	513	429
Other legal services to the IRS	149	159	26
Large Business and International:			
Total	4,855	4,836	5,589
Guidance and assistance	591	558	1,022
Tax law enforcement and litigation	4,008	4,029	4,526
Other legal services to the IRS	256	249	41
Passthroughs and Special Industries [4]:			
Total	1,921	1,967	699
Guidance and assistance	1,082	1,151	552
Tax law enforcement and litigation	553	522	135
Other legal services to the IRS	286	294	12
Procedure and Administration:			
Total	5,169	4,281	2,426
Guidance and assistance	1,268	815	687
Tax law enforcement and litigation	3,242	2,875	1,489
Other legal services to the IRS	659	591	250
Small Business and Self-Employed:			
Total	60,438	58,962	43,269
Guidance and assistance	364	375	225
Tax law enforcement and litigation	59,930	58,463	42,996
Other legal services to the IRS	144	124	48
Tax Exempt and Government Entities:			
Total	3,396	3,300	2,385
Guidance and assistance	871	1,014	737
Tax law enforcement and litigation	2,135	1,887	1,608
Other legal services to the IRS	390	399	40
Wage and Investment:			
Total	292	304	49
Guidance and assistance	108	113	13
Tax law enforcement and litigation	31	28	19
Other legal services to the IRS	153	163	17
Other [5]:			
Total	529	524	81
Guidance and assistance	343	334	d
Tax law enforcement and litigation	157	161	24
Other legal services to the IRS	29	29	d

Footnotes on next page.

Table 26. Chief Counsel Workload: All Cases, by Office and Type of Case or Activity, Fiscal Year 2012—Continued**Footnotes**

d—Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

- [1] Includes published guidance; advanced case resolution; treaties; legislation; Congressional and executive correspondence; training and public outreach; and prefil-
ing legal advice to the IRS.
- [2] Includes Tax Court litigation; collection, bankruptcy, and summons advice and litigation; Appellate Court litigation; criminal tax; and enforcement advice and assis-
tance. See Table 27 for tax litigation case information.
- [3] Includes electronic and other tax filing legal advice; disclosure advice and litigation; and general legal services advice and litigation.
- [4] The Passthroughs and Special Industries (PSI) Division handles cases that involve passthrough organizations, such as S corporations and partnerships. These
passthrough organizations do not pay tax on their incomes, but pass income or losses to shareholders or partners, who include the income or losses on their income
tax returns. The PSI Division also handles cases on natural resources taxation (oil, mining, gas, coal, etc.); business credits (low-income housing, energy credits,
wind energy, alternative fuels, etc.); excise taxes (transportation, telephones, tires, fuels, etc.); and estate and gift taxes.
- [5] Includes the immediate offices of the Chief Counsel and the Associate Chief Counsel, Finance and Management.

SOURCE: Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Management Division.

Table 27. Chief Counsel Workload: Tax Litigation Cases, by Type of Case, Fiscal Year 2012

[Money amounts are in millions of dollars]

	Type of case	Number or amount
Total cases:		
Received		34,609
Closed		34,386
Pending September 30, 2012		32,197
Tax Court cases [1]:		
Cases received:		
Number		31,295
Amount of tax and penalty in dispute [2]		6,599
Cases closed:		
Number		31,135
Amount of tax and penalty in dispute [2]		6,287
Amount of tax and penalty on decision [3]:		
Total		2,306
Default or dismissed		453
Settled		1,514
Tried and decided		339
Cases pending September 30, 2012:		
Number		30,313
Amount of tax and penalty in dispute [2]		20,188
Tax Court cases on appeal [1]:		
Number of cases pending September 30, 2012		390
Amount of tax and penalty pending September 30, 2012 [2]		8,674
Refund cases [4]:		
Cases received:		
Number		250
Amount of tax and penalty in dispute [2]		1,384
Cases closed:		
Number		275
Amount of tax and penalty in dispute [2]		1,821
Amount of tax and penalty protected [5]:		
Total		1,402
District Court		1,267
Court of Federal Claims		135
Cases pending September 30, 2012:		
Number		1,006
Amount of tax and penalty in dispute [2]		9,524
Refund cases on appeal [4]:		
Number of cases pending September 30, 2012		56
Amount of tax and penalty pending September 30, 2012 [2]		614
Number of nondocketed cases [6]:		
Received		3,064
Closed		2,976
Pending September 30, 2012		432

[1] Tax Court cases involve a taxpayer contesting the Internal Revenue Service's determination that the taxpayer owes additional tax. The Tax Court provides a forum for a taxpayer to request a determination of the deficiency prior to paying the tax allegedly owed.

Other cases that may be considered by the Tax Court include:

Collection Due Process (CDP)—cases where a taxpayer requested a hearing with an independent CDP officer in response to a notice of Federal tax lien or notice of intent to levy.

Innocent Spouse Program—cases in which a taxpayer who filed a joint return with a spouse or ex-spouse may apply for relief of tax, interest, and penalties if he/she meets specific requirements.

Abatement of Interest—cases of disputed interest on tax deficiencies or payments in which IRS error or delays may have contributed to the assessed interest.

Tax-exempt Status—cases where an organization disputes IRS's revocation or denial of tax-exempt status.

[2] The amount of tax and penalties in dispute excludes interest.

[3] Reflects the amount a taxpayer owes as determined by the Tax Court, excluding offsetting overpayments and interest.

[4] Refund cases involve taxpayers seeking refunds of claimed overpayments after taxes have been fully paid.

[5] Tax protected is the amount claimed by the taxpayer in a suit for a refund of previously paid taxes that is not awarded to the taxpayer in the court's judgment.

[6] Nondocketed cases are cases in which a court petition was not filed and Chief Counsel reviewed and advised on a statutory notice of deficiency.

NOTE: Amounts in dispute can vary widely from year to year.

SOURCE: Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Management Division.



IRS Budget and Workforce

Tables 28 through 31 provide information on the size and composition of the IRS workforce and the resources that the IRS spends to collect taxes and assist taxpayers. In Fiscal Year (FY) 2012, the IRS collected more than \$2.5 trillion, incurring a cost of 48 cents, on average, to collect \$100.

IRS's actual expenditures in FY 2012 were less than \$12.1 billion, which were used to meet the requirements of its three core operating appropriation budget activities. These core activities include taxpayer services, enforcement, and operations support.

Taxpayer services funding provides processing for tax returns and related documents, and assistance to taxpayers filing returns and paying taxes due. The IRS spent \$2.4 billion to provide taxpayer services in FY 2012.

Enforcement funding provided for the examination of tax returns, collection of balances due, and administrative and judicial settlement of taxpayer appeals of examination findings. It also provided resources to strengthen enforcement aimed at reducing invalid claims and erroneous filings associated with the Earned Income Tax Credit (EITC) program. The IRS spent \$5.3 billion in enforcement in FY 2012.

Operations support provides administrative services, policy management, and IRS-wide support. This appropriation also funds staffing, equipment, and related costs used to manage, maintain, and operate critical information systems supporting tax administration. The IRS spent \$4.0 billion in operations support in FY 2012.

During the fiscal year, the IRS continued to focus on attracting, retaining, and developing a quality workforce to support workforce management activities that contribute to making the IRS one of the best places to work in the Federal government. In FY 2012, the IRS employed a total workforce of 97,941, including part-time and seasonal employees.

Table 28. Costs Incurred by Budget Activity, Fiscal Years 2011 and 2012

[Money amounts are in thousands of dollars]

Budget activity	Total		Personnel compensation and benefits [1]		Other	
	2011	2012	2011	2012	2011	2012
	(1)	(2)	(3)	(4)	(5)	(6)
Total obligations against appropriated funds	12,358,877	12,059,409	9,006,934	8,838,171	3,351,943	3,221,238
Taxpayer Services [2]:						
Total	2,415,557	2,414,951	2,227,971	2,228,690	187,586	186,261
Prefiling Taxpayer Assistance and Education	682,249	651,911	601,196	581,166	81,053	70,745
Filing and Account Services [3]	1,733,308	1,763,040	1,626,775	1,647,524	106,533	115,516
Enforcement [4]:						
Total	5,510,732	5,301,838	5,141,462	4,983,678	369,270	318,160
Investigations	654,993	645,651	595,620	586,850	59,373	58,801
Examinations and Collections	4,683,439	4,492,726	4,386,421	4,235,771	297,018	256,955
Regulatory	172,300	163,461	159,421	161,057	12,879	2,404
Operations Support [5]:						
Total	4,081,816	3,991,620	1,560,524	1,537,481	2,521,292	2,454,139
Infrastructure	967,347	951,842	1,127	882	966,220	950,960
Shared Services and Support	1,263,410	1,204,222	760,996	742,905	502,414	461,317
Information Services	1,851,059	1,835,556	798,401	793,694	1,052,658	1,041,862
Business Systems Modernization [6]	335,292	351,000	75,221	88,322	260,071	262,678
Health Insurance Tax Credit Administration [3]	15,480	N/A	1,756	N/A	13,724	N/A

N/A—Not applicable.

[1] Includes salaries, terminal leave payments, availability pay, pay differential, overtime and holiday pay, cash awards, incentive awards, obligation for uncashed payroll checks, expert and witness fees, rewards to informants, employer's share of personnel benefit costs, reimbursements for professional liability insurance, recruitment bonuses, commuting subsidies, retention bonuses, student loan repayments, relocation bonuses, gainsharing awards, cost-of-living allowances, overseas allowance grants, domestic and foreign income tax reimbursement allowances, worker's compensation benefits, moving expenses/relocation allowances, severance pay, and unemployment compensation payments.

[2] The Taxpayer Services appropriation funds prefiling assistance and education, filing and account services, and taxpayer advocacy services.

[3] Funds for the Health Insurance Tax Credit Administration are reported in the Taxpayer Services, Filing and Account Services, budget activity for Fiscal Year 2012. The Consolidated Appropriations Act of 2012, P.L. 112–74, stipulates that funds for the Health Insurance Tax Credit Administration appropriation are part of the Taxpayer Services appropriation, Filing and Account Services.

[4] The Enforcement appropriation funds activities to determine and collect owed taxes, to provide legal and litigation support, to conduct criminal investigations, to enforce criminal statutes related to violations of internal revenue laws, and to purchase and hire passenger motor vehicles.

[5] The Operations Support appropriation funds activities to support taxpayer services and enforcement programs, including rent, facilities services, maintenance, printing, postage, security, and other IRS-wide administration activities; research and statistics of income; telecommunications; and information technology development.

[6] The Business Systems Modernization appropriation funds the capital asset acquisition of information technology systems.

NOTES:

All amounts are in current dollars.

Data represent dollars obligated, expended, and disbursed against direct appropriated funds.

SOURCE: Chief Financial Officer, Corporate Budget.

Table 29. Collections, Costs, Personnel, and U.S. Population, Fiscal Years 1980–2012

Fiscal year	Gross collections (thousands of dollars) [1]	Operating costs (thousands of dollars) [2]	Cost of collecting \$100 (dollars)	U.S. population (thousands) [3]	Average tax per capita (dollars) [3]	Average positions realized [4]
	(1)	(2)	(3)	(4)	(5)	(6)
1980	519,375,273	2,280,839	0.44	228,231	2,276	87,464
1981	606,799,103	2,465,469	0.41	230,613	2,631	86,156
1982	632,240,506	2,626,338	0.42	232,962	2,714	82,857
1983	627,246,793	2,968,526	0.47	235,225	2,667	83,603
1984	680,475,229	3,279,067	0.48	237,454	2,866	87,635
1985	742,871,541	3,600,953	0.48	239,714	3,099	92,259
1986	782,251,812	3,841,983	0.49	241,995	3,233	95,880
1987	886,290,590	4,365,816	0.49	244,344	3,627	102,189
1988	935,106,594	5,035,543	0.54	246,329	3,796	114,875
1989	1,013,322,133	5,198,546	0.51	249,412	4,063	114,758
1990	1,056,365,652	5,440,418	0.52	251,057	4,208	111,962
1991	1,086,851,401	6,097,627	0.56	254,435	4,272	114,628
1992	1,120,799,558	6,536,336	0.58	257,861	4,347	116,673
1993	1,176,685,625	7,077,985	0.60	261,163	4,506	113,460
1994	1,276,466,776	7,245,344	0.57	264,301	4,830	110,748
1995	1,375,731,836	7,389,692	0.54	267,456	5,144	112,024
1996	1,486,546,674	7,240,221	0.49	270,581	5,494	106,642
1997	1,623,272,071	7,163,541	0.44	273,852	5,928	101,703
1998	1,769,408,739	7,564,661	0.43	277,003	6,388	98,037
1999	1,904,151,888	8,269,387	0.43	280,203	6,796	98,730
2000	2,096,916,925	8,258,423	0.39	283,201	7,404	97,074
2001	2,128,831,182	8,771,510	0.41	286,098	7,441	97,707
2002	2,016,627,269	9,063,471	0.45	288,870	6,981	99,181
2003	1,952,929,045	9,401,407	0.48	291,574	6,698	98,819
2004	2,018,502,103	9,756,344	0.48	294,230	6,860	97,597
2005	2,268,895,122	10,397,837	0.46	296,972	7,640	94,282
2006	2,518,680,230	10,605,845	0.42	299,835	8,400	91,717
2007	2,691,537,557	10,764,736	0.40	302,807	8,889	92,017
2008	2,745,035,410	11,307,223	0.41	305,554	8,984	90,647
2009	2,345,337,177	11,708,604	0.50	308,189	7,610	92,577
2010	2,345,055,978	12,353,344	0.53	310,390	7,555	94,711
2011	2,414,952,112	12,358,877	0.51	312,649	7,724	94,709
2012	2,524,320,134	12,059,409	0.48	[p] 314,908	[p] 8,016	90,280

[p]—Preliminary.

[1] Gross collections exclude alcohol and tobacco excise taxes starting with 1988. Also excluded are taxes on firearms starting with the second quarter of Fiscal Year 1991. Responsibility for these excise taxes was transferred from the IRS to the Alcohol and Tobacco Tax and Trade Bureau and to the U.S. Customs and Border Protection, respectively. See Table 6 for gross collections data by type of tax.

[2] Operating costs exclude costs reimbursed by other Federal agencies and private entities for services performed for these external parties. Beginning with Fiscal Year 2005, includes costs for Business Systems Modernization and the Health Insurance Tax Credit Administration. See Table 28 for these costs.

[3] U.S. population and average tax per capita are based on resident population plus armed forces overseas as of October 1 of each year. This information is provided by the U.S. Department of Commerce, Bureau of the Census.

[4] Represents the average number of full-time equivalent (FTE) positions actually used to conduct IRS operations. Excludes positions funded by reimbursements from other Federal agencies and private entities for services performed for these external parties. In contrast, IRS labor force counts in Table 31 (Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Gender, Race/Ethnicity, and Disability) represent the total number of persons, including full-time, part-time and seasonal workers, employed during the fiscal year.

NOTE: All amounts are in current dollars.

SOURCE: Chief Financial Officer; Corporate Budget and Financial Management.

Table 30. Personnel Summary, by Employment Status, Budget Activity, and Selected Personnel Type, Fiscal Years 2011 and 2012

Employment status, budget activity, and selected personnel type	Average positions realized [1]		Number of employees at close of fiscal year	
	2011	2012	2011	2012
	(1)	(2)	(3)	(4)
Internal Revenue Service, total	94,709	90,280	91,380	89,551
Employment status:				
Full-time permanent	92,452	88,308	88,308	86,743
Other	2,257	1,972	3,072	2,808
Budget activity:				
Examinations and Collections	44,685	41,814	44,161	41,602
Filing and Account Services [2]	25,423	25,041	22,088	24,058
Information Services	6,628	6,208	7,344	6,963
Prefiling Taxpayer Assistance and Education	6,180	5,814	6,194	5,955
Shared Services and Support	5,811	5,308	5,871	5,252
Investigations	4,197	4,258	4,362	4,347
Regulatory	1,260	1,241	1,280	1,300
Business Systems Modernization	512	596	69	74
Health Insurance Tax Credit Administration [2]	13	N/A	11	N/A
Selected personnel type:				
Revenue Agents	13,969	13,011	13,761	12,981
Seasonal Employees	10,479	11,538	7,201	10,336
Customer Service Representatives	10,191	9,472	10,201	9,504
Tax Examiners	9,587	9,282	9,783	9,503
Revenue Officers	5,621	5,186	5,447	5,066
Special Agents	2,618	2,581	2,730	2,657
Tax Technicians	1,808	1,679	1,766	1,626
Attorneys	1,573	1,529	1,586	1,553
Appeals Officers	859	851	865	875

N/A—Not applicable.

[1] Represents the average number of full-time equivalent (FTE) positions actually used to conduct IRS operations. Excludes positions funded by reimbursements from other Federal agencies and private entities for services performed for these external parties. In contrast, IRS labor force counts in Table 31 (Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Gender, Race/Ethnicity, and Disability) represent the total number of persons, including full-time, part-time and seasonal workers, employed during the fiscal year.

[2] "Average positions realized" and "Number of employees at close of fiscal year" for the "Health Insurance Tax Credit Administration" are included in the "Filing and Account Services" budget activity for Fiscal Year 2012. The Consolidated Appropriations Act of 2012, P.L. 112–74, stipulates that funds for the Health Insurance Tax Credit Administration appropriation are part of the Taxpayer Services appropriation, Filing and Account Services.

SOURCE: Chief Financial Officer, Corporate Budget.

Table 31. Internal Revenue Service Labor Force, Compared to National Totals for Civilian and Federal Labor Forces, by Gender, Race/Ethnicity, and Disability, Fiscal Year 2012

Gender, race/ethnicity, and disability	Internal Revenue Service, total [1]	Internal Revenue Service labor force [1]	Federal civilian labor force [2]	Civilian labor force [3]
		Percentage of total		
		(1)	(2)	(3)
Total	97,941	100.0	100.0	100.0
Gender:				
Male	33,820	34.5	56.5	53.2
Female	64,121	65.5	43.5	46.8
Race/ethnicity and gender:				
White, not of Hispanic origin	56,065	57.2	65.9	72.7
Male	22,902	23.4	40.1	39.0
Female	33,163	33.9	25.8	33.7
Black, not of Hispanic origin	24,327	24.8	17.4	10.5
Male	5,101	5.2	7.1	4.8
Female	19,226	19.6	10.3	5.7
Hispanic [4]	11,058	11.3	8.0	10.7
Male	3,304	3.4	4.7	6.2
Female	7,754	7.9	3.3	4.5
Asian, Native Hawaiian, or other Pacific Islander	5,231	5.3	5.9	3.8
Male	2,121	2.2	3.2	2.0
Female	3,110	3.2	2.7	1.8
American Indian or Alaska Native	714	0.7	1.8	0.6
Male	195	0.2	0.8	0.3
Female	519	0.5	1.0	0.3
Two or more races [5]	546	0.6	1.0	1.6
Male	197	0.2	0.5	0.8
Female	349	0.4	0.5	0.8
Disabilities:				
Persons with disabilities	9,429	9.6	11.5	n.a.
Persons with targeted disabilities [6]	1,821	1.9	1.0	n.a.

n.a.—Not available.

[1] Includes total full-time, part-time, and seasonal personnel employed by the Internal Revenue Service, including IRS Chief Counsel, during Fiscal Year 2012, i.e., October 1, 2011, through September 22, 2012.

[2] Reflects the Federal civilian labor force as of September 2012, as provided by the U.S. Office of Personnel Management. These data include the Internal Revenue Service labor force.

[3] Data from U.S. Department of Commerce, Bureau of the Census (2000 Census Statistics).

[4] Hispanic or Latino persons of any race are included in the Hispanic category.

[5] Data for IRS and other Federal workers of two or more races may be incomplete, as data for this category have been routinely collected only for employees hired after January 1, 2006. The data also reflect information for employees in this category who were hired prior to January 1, 2006, who subsequently updated their official information.

[6] The term "targeted disability" was originally enacted by the Equal Employment Opportunity Commission (EEOC) in 1979 and refers to certain disabilities that have been identified for emphasis in Federal affirmative employment planning. For targeted disabilities, the EEOC established a 2.0-percent goal for all Federal agencies.

NOTES:

Percentages may not add to totals because of rounding.

In the Fiscal Year 2011 *IRS Data Book*, the number of Internal Revenue Service employees who claimed a disability has been revised due to a technical error. To access the revised data, go to <http://www.irs.gov/uac/SOI-Tax-Stats-IRS-Data-Book> and select *IRS Data Book*/Table 31/2011.

SOURCE: Office of Equity, Diversity and Inclusion.

Data Sources, by Subject Area and Table Number

Subject Area	Table Number	Data Sources (by IRS Branch, Division, or Office)
Returns Filed, Taxes Collected, and Refunds Issued	1	Chief Financial Officer, Financial Management
	2	Research, Analysis, and Statistics, Office of Research
	3	Research, Analysis, and Statistics, Office of Research
	4	Research, Analysis, and Statistics, Office of Research
	5	Chief Financial Officer, Financial Management
	6	Chief Financial Officer, Financial Management
	7	Chief Financial Officer, Financial Management
	8	Chief Financial Officer, Financial Management
Enforcement: Examinations	9a	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	9b	Research, Analysis, and Statistics, Office of Research
	10	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	11	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	12	Small Business/Self-Employed, Examination, Examination Planning and Delivery, Workload Planning and Analysis
	13	Tax Exempt and Government Entities
Enforcement: Information Reporting and Verification	14	Wage and Investment, Compliance, Reporting Compliance, Policy, Monitoring, Analysis and Quality; Wage and Investment, Compliance, Reporting Compliance, Automated Underreporting Program; Small Business/Self-Employed, Enterprise Collection Strategy, Collection Analytics, Automation, Inventory Selection and Delivery; Small Business/Self-Employed, Campus Compliance Services, Campus Reporting Compliance, Document Matching
	15	Wage and Investment, Customer Account Services, Submission Processing, Individual Master File Branch, Notices and Files.
Enforcement: Collections, Penalties, and Criminal Investigation	16	Small Business/Self-Employed, Enterprise Collection Strategy, Collection Planning and Governance, Enterprise Collection Plans
	17	Chief Financial Officer, Financial Management
	18	Criminal Investigation, Communications and Education Division
Taxpayer Assistance	19	Wage and Investment, Strategy and Finance, Program Management; Online Services, Online Experience and Operations Management; and Small Business/Self-Employed, Communications and Stakeholder Outreach
	20	Taxpayer Advocate Service, Business Assessment
	21	Appeals, Strategic Planning, Measures Analysis
Tax-Exempt Activities	22	Tax Exempt and Government Entities
	23	Tax Exempt and Government Entities, Employee Plans
	24	Tax Exempt and Government Entities, Exempt Organizations
	25	Tax Exempt and Government Entities, Exempt Organizations
Chief Counsel	26	Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Management Division
	27	Chief Counsel, Associate Chief Counsel Finance and Management, Planning and Management Division
IRS Budget and Workforce	28	Chief Financial Officer, Corporate Budget
	29	Chief Financial Officer, Corporate Budget and Financial Management
	30	Chief Financial Officer, Corporate Budget
	31	Office of Equity, Diversity and Inclusion

Principal Officers of the Internal Revenue Service

as of September 30, 2012

Commissioner

Douglas H. Shulman

Deputy Commissioner for Services and Enforcement

Steven T. Miller

Deputy Commissioner for Operations Support

Beth Tucker

Appeals

Chief, Appeals

Christopher Wagner

Deputy Chief, Appeals

Sheldon M. Kay

Taxpayer Advocate Service

National Taxpayer Advocate

Nina E. Olson

Deputy National Taxpayer Advocate

Melissa R. Snell

Executive Director, Systemic Advocacy Systems

Rena C. Girinakis

Executive Director, Case Advocacy

Matthew A. Weir

Equity, Diversity and Inclusion

Executive Director, Equity, Diversity and Inclusion

Monica H. Davy

Deputy Executive Director, Equity, Diversity and Inclusion

Elaine P. Ho

Office of Research, Analysis, and Statistics

Director, Office of Research, Analysis, and Statistics

Rosemary D. Marcuss

Deputy Director, Office of Research, Analysis, and Statistics

Patricia H. McGuire

Director, Data Management Office

William W. Hannon

Director, Office of Program Evaluation and Risk Analysis

Tommy A. Smith

Director, Office of Research

Janice M. Hedemann

Director, Servicewide Policy, Directives, and Electronic Research

Kathryn A. Greene

Director, Statistics of Income

M. Susan Boehmer

Communications and Liaison

Chief, Communications and Liaison

Frank M. Keith

Deputy Chief, Communications and Liaison

Jan S. Deneroff

Director, Office of Legislative Affairs

Catherine M. Barré

Director, Office of Communications

Terry L. Lemons

Director, Office of National Public Liaison

Candice V. Cromling

Chief of Staff

Jonathan M. Davis

Deputy Chief of Staff

Nikole C. Flax

Senior Advisor (Office of Compliance Analytics)

Dean R. Silverman

Small Business/Self-Employed Division

Commissioner, Small Business/Self-Employed

Faris R. Fink

Deputy Commissioner, Small Business/Self-Employed

Ruth Perez

Director, Communications and Stakeholder Outreach

Rob C. Wilkerson

Director, Field Collection

Bobby L. Hunt

Director, Enterprise Collection Strategy

Michael D. Julianelle

Director, Examination

Shenita L. Hicks

Director, Fraud/BSA

William P. Marshall

Director, Specialty Programs

John H. Imhoff, Jr.

Director, Campus Compliance Services

Denice D. Vaughan

Large Business and International Division

Commissioner, Large Business and International

Heather C. Maloy

Deputy Commissioner (Domestic)

Paul D. DeNard

Deputy Commissioner (International)

Michael Danilack

U.S. Competent Authority

Michael Danilack

Assistant Deputy Commissioner (International)

Douglas W. O'Donnell

Director, Financial Services Industry

Rosemary J. Sereti

Director, Retailers, Food, Transportation and Healthcare Industry

James J. Rooney

Director, Communications, Technology, and Media Industry

Cheryl P. Claybough

Director, Heavy Manufacturing and Pharmaceutical Industry

Laura M. Prendergast

Director, Natural Resources and Construction Industry

Kathy J. Robbins

Director, Global High Wealth Industry

Donna C. Hansberry (Acting)

Director, International Individual Compliance

David W. Horton

Director, International Business Compliance

Sergio E. Arellano

Director, Pre-Filing and Technical Guidance

Sunita B. Lough

Director, Shared Support

Donna C. Hansberry

Director, Transfer Pricing Operations

Samuel M. Maruca

Principal Officers of the Internal Revenue Service

as of September 30, 2012

Wage and Investment Division

Commissioner, Wage and Investment

Peggy A. Bogadi

Deputy Commissioner, Operations

Debra S. Holland

Deputy Commissioner, Support

Debra S. Holland

Director, Customer Account Services

Peter J. Stipek

Director, CARE (Customer Assistance, Relationships, and Education)

Julie Garcia

Director, Compliance

James P. Clifford

Director, Return Integrity and Correspondence Services

Jodi L. Patterson

Tax Exempt and Government Entities Division

Commissioner, Tax Exempt and Government Entities

Joseph H. Grant (Acting)

Deputy Commissioner, Tax Exempt and Government Entities

Moises C. Medina (Acting)

Director, Employee Plans

Robert S. Choi

Director, Exempt Organizations

Lois G. Lerner

Director, Government Entities

Clifford J. Gannett (Acting)

Criminal Investigation

Chief, Criminal Investigation

Richard Weber

Deputy Chief, Criminal Investigation

Patricia J. Haynes (Acting)

Office of Professional Responsibility

Director, Office of Professional Responsibility

Karen L. Hawkins

Deputy Director, Office of Professional Responsibility

Denise S. Fayne

Office of Online Services

Director, Office of Online Services

Rajive K. Mathur

Return Preparer Office

Director, Return Preparer Office

Carol A. Campbell

Deputy Director, Return Preparer Office

Preston B. Beniot

Office of Chief Financial Officer

Chief Financial Officer

Pamela J. LaRue

Deputy Chief Financial Officer

Gregory E. Kane

Agency-Wide Shared Services

Chief, Agency-Wide Shared Services

David A. Grant

Director, Procurement

Jacob B. Hansen

Director, Real Estate and Facilities Management

Stuart Burns

IRS Information Technology

Chief Technology Officer

Terence V. Milholland

Deputy Chief Information Officer for Operations

Julie A. Rushin

Deputy Chief Information Officer for Strategy/Modernization

James M. McGrane

Associate Chief Information Officer, Applications Development

Kate M. Miller

Associate Chief Information Officer, Modernization Program Management

Gretchen R. McCoy

Associate Chief Information Officer, Enterprise Operations

Lauren Buschor

Associate Chief Information Officer, User and Network Services

Stephen L. Manning

Associate Chief Information Officer, Enterprise Services

Robert N. Crawford

Associate Chief Information Officer, Cybersecurity

David W. Stender

Associate Chief Information Officer, Strategy and Planning

Carl T. Froehlich (Acting)

Associate Chief Information Officer, Affordable Care Act Program

S. Gina Garza

Director, Management Services

Debra L. Nelson

Human Capital Office

Chief Human Capital Officer

David Krieg

Deputy Chief Human Capital Officer

Daniel T. Riordan

Privacy, Governmental Liaison and Disclosure

Director, Privacy, Governmental Liaison, and Disclosure

Rebecca A. Chiaramida

Whistleblower Office

Director, Whistleblower Office

Stephen A. Whitlock

Principal Officers of the Internal Revenue Service

as of September 30, 2012

Office of Chief Counsel

Chief Counsel

William J. Wilkins

Deputy Chief Counsel (Operations)

Christopher B. Sterner

Deputy Chief Counsel (Technical)

Erik H. Corwin

Health Care Counsel

Catherine E. Livingston

Special Counsel

(National Taxpayer Advocate Service)

Judith M. Wall

Division Counsel/Associate Chief Counsel (Criminal Tax)

Edward F. Cronin

Division Counsel

(Large Business and International)

Linda M. Kroening

Division Counsel

(Small Business/Self-Employed)

Thomas R. Thomas

Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities)

Victoria A. Judson

Division Counsel

(Wage and Investment)

Joanne B. Minsky

Associate Chief Counsel (Corporate)

William D. Alexander

Associate Chief Counsel (Finance and Management)

Dennis M. Ferrara

Associate Chief Counsel (Financial Institutions and Products)

Stephen R. Larson

Associate Chief Counsel (General Legal Services)

Mark S. Kaizen

Associate Chief Counsel (Income Tax and Accounting)

Andrew J. Keyso, Jr.

Associate Chief Counsel (International)

Steven A. Musher

Associate Chief Counsel (Passthroughs and Special Industries)

Curtis G. Wilson

Associate Chief Counsel (Procedure and Administration)

Deborah A. Butler

Commissioners of Internal Revenue

Office of Commissioner of Internal Revenue Created by Act of Congress, July 1, 1862

George S. Boutwell Massachusetts July 17, 1862 to March 4, 1863	John W. Mason West Virginia March 21, 1889 to April 18, 1893	H. F. Mires (Acting) Washington Aug. 16, 1930 to Aug. 19, 1930	Charles I. Fox (Acting) Utah Jan. 21, 1961 to Feb. 6, 1961	Lawrence B. Gibbs Texas Aug. 4, 1986 to March 4, 1989
Joseph J. Lewis (Acting) Pennsylvania Mar. 5, 1863 to Mar. 17, 1863	Joseph S. Miller West Virginia April 19, 1893 to Nov. 26, 1896	David Burnet Ohio Aug. 20, 1930 to May 15, 1933	Mortimer M. Caplin Virginia Feb. 7, 1961 to July 10, 1964	Michael J. Murphy (Acting) Wisconsin March 5, 1989 to July 4, 1989
Joseph J. Lewis Pennsylvania March 18, 1863 to June 30, 1865	W. St. John Forman Illinois Nov. 27, 1896 to Dec. 31, 1897	Pressly R. Baldridge (Acting) Iowa May 16, 1933 to June 5, 1933	Bertrand M. Harding (Acting) Texas July 11, 1964 to Jan. 24, 1965	Fred Goldberg, Jr. Missouri July 5, 1989 to Feb. 2, 1992
William Orton New York July 1, 1865 to Oct. 31, 1865	Nathan B. Scott West Virginia Jan. 1, 1898 to Feb. 28, 1899	Guy T. Helvering Kansas June 6, 1933 to Oct. 8, 1943	Sheldon S. Cohen Maryland Jan. 25, 1965 to Jan. 20, 1969	Shirley D. Peterson Colorado Feb. 3, 1992 to Jan. 20, 1993
Edward A. Rollins New Hampshire Nov. 1, 1865 to Mar. 10, 1869	George W. Wilson Ohio Mar. 1, 1899 to Nov. 27, 1900	Robert E. Hannegan Missouri Oct. 9, 1943 to Jan. 22, 1944	William H. Smith (Acting) Virginia Jan. 21, 1969 to Mar. 31, 1969	Michael P. Dolan (Acting) Iowa Jan. 21, 1993 to May 26, 1993
Columbus Delano Ohio March 11, 1869 to Oct. 31, 1870	Robert Williams, Jr. (Acting) Ohio Nov. 28, 1900 to Dec. 19, 1900	Harold N. Graves (Acting) Illinois Jan. 23, 1944 to Feb. 29, 1944	Randolph W. Thrower Georgia April 1, 1969 to June 22, 1971	Margaret Milner Richardson Texas May 27, 1993 to May 31, 1997
John W. Douglass (Acting) Pennsylvania Nov. 1, 1870 to Jan. 2, 1871	John W. Yerkes Kentucky Dec. 20, 1900 to April 30, 1907	Joseph D. Nunan, Jr. New York March 1, 1944 to June 30, 1947	Harold T. Swartz (Acting) Indiana June 23, 1971 to Aug. 5, 1971	Michael P. Dolan (Acting) Iowa June 1, 1997 to Nov. 12, 1997
Alfred Pleasonton New York Jan. 3, 1871 to Aug. 8, 1871	Henry C. Rogers (Acting) Pennsylvania May 1, 1907 to June 4, 1907	George J. Schoeneman Rhode Island July 1, 1947 to July 31, 1951	Johnnie M. Walters South Carolina Aug. 6, 1971 to April 30, 1973	Charles O. Rossotti New York Nov. 13, 1997 to Nov. 6, 2002
John W. Douglass Pennsylvania Aug. 9, 1871 to May 14, 1875	John G. Capers South Carolina June 5, 1907 to Aug. 31, 1909	John B. Dunlap Texas Aug. 1, 1951 to Nov. 18, 1952	Raymond F. Harless (Acting) California May 1, 1973 to May 25, 1973	Bob Wenzel (Acting) Illinois Nov. 7, 2002 to April 30, 2003
Daniel D. Pratt Indiana May 15, 1875 to Aug. 1, 1876	Royal E. Cabell Virginia Sept. 1, 1909 to April 27, 1913	John S. Graham (Acting) North Carolina Nov. 19, 1952 to Jan. 19, 1953	Donald C. Alexander Ohio May 26, 1973 to Feb. 26, 1977	Mark W. Everson New York May 1, 2003 to May 28, 2007
Green B. Raum Illinois Aug. 2, 1876 to April 30, 1883	William H. Osborn North Carolina April 28, 1913 to Sept. 25, 1917	Justin F. Winkle (Acting) New York Jan. 20, 1953 to Feb. 3, 1953	William E. Williams (Acting) Illinois Feb. 27, 1977 to May 4, 1977	Kevin M. Brown (Acting) Virginia May 29, 2007 to Sept. 8, 2007
Henry C. Rogers (Acting) Pennsylvania May 1, 1883 to May 10, 1883	Daniel C. Roper South Carolina Sept. 26, 1917 to Mar. 31, 1920	T. Coleman Andrews Virginia Feb. 4, 1953 to Oct. 31, 1955	Jerome Kurtz Pennsylvania May 5, 1977 to Oct. 31, 1980	Linda E. Stiff (Acting) Germany Sept. 9, 2007 to Mar. 23, 2008
John J. Knox (Acting) Minnesota May 11, 1883 to May 20, 1883	William M. Williams Alabama April 1, 1920 to April 11, 1921	O. Gordon Delk (Acting) Virginia Nov. 1, 1955 to Dec. 4, 1955	William E. Williams (Acting) Illinois Nov. 1, 1980 to March 13, 1981	Douglas H. Shulman Ohio March 24, 2008 to Nov. 9, 2012
Walter Evans Kentucky May 21, 1883 to March 19, 1885	Millard F. West (Acting) Kentucky April 12, 1921 to May 26, 1921	Russell C. Harrington Rhode Island Dec. 5, 1955 to Sept. 30, 1958	Roscoe L. Egger, Jr. Indiana March 14, 1981 to April 30, 1986	Steven T. Miller (Acting) Ohio Nov. 10, 2012 to present
Joseph S. Miller West Virginia March 20, 1885 to March 20, 1889	David H. Blair North Carolina May 27, 1921 to May 31, 1929	O. Gordon Delk (Acting) Virginia Oct. 1, 1958 to Nov. 4, 1958	James I. Owens (Acting) Alabama May 1, 1986 to Aug. 3, 1986	
	Robert H. Lucas Kentucky June 1, 1929 to Aug. 15, 1930	Dana Latham California Nov. 5, 1958 to Jan. 20, 1961		

Chief Counsels for the Internal Revenue Service

Walter H. Smith	1866
William McMichael	1871
Charles Chesley	1871
Thomas J. Smith	1888
Alphonso Hart	1890
Robert T. Hough	1893
George M. Thomas	1897
Albert W. Wishard	1901
A.B. Hayes	1903
Fletcher Maddox.....	1908
Ellis C. Johnson.....	1913
A.A. Ballantine.....	1918
D.M. Kelleher.....	1919
Robert N. Miller	1919
Wayne Johnson.....	1920
Carl A. Mapes	1920
Nelson T. Hartson.....	1923
Alexander W. Gregg.....	1925
Clarence M. Charest	1927
E. Barrett Prettyman.....	1933
Robert H. Jackson.....	1934
Morrison Shaforth	1936
John P. Wenchel.....	1937
Charles Oliphant.....	1947
Charles W. Davis.....	1952
Daniel A. Taylor	1953
John Potts Barnes	1955
Nelson P. Rose	1957
Arch M. Cantrall.....	1958
Hart H. Spiegel.....	1959
Crane C. Hauser	1961
Sheldon S. Cohen	1964
Mitchell Rogovin	1965
Lester R. Uretz	1966
K. Martin Worthy	1969
Lee H. Henkel, Jr.....	1972
Meade Whitaker	1973
Stuart E. Seigel	1977
N. Jerold Cohen	1979
Kenneth W. Gideon	1981
Fred Goldberg, Jr.	1984
William F. Nelson.....	1986
Abraham N. M. Shashy, Jr.....	1990
Stuart L. Brown	1994
B. John Williams, Jr.	2002
Donald L. Korb	2004
William J. Wilkins.....	2009

The following were Acting Chief Counsel during periods when there was no Chief Counsel holding the office:

John W. Burrus
March 2, 1936 to Nov. 30, 1936

Mason B. Leming
Dec. 6, 1951 to May 15, 1952

Kenneth W. Gemmill
June 11, 1953 to Nov. 8, 1953

Rudy P. Hertzog
Dec. 1, 1954 to May 8, 1955
Jan. 20, 1961 to Aug. 16, 1961
Sept. 1, 1963 to Jan. 5, 1964

Herman T. Reiling
Jan. 19, 1957 to March 13, 1957
Aug. 31, 1959 to Sept. 20, 1959

Richard M. Hahn
Jan. 20, 1969 to June 25, 1969

Lee H. Henkel, Jr.
Jan. 16, 1972 to June 11, 1972

Lawrence B. Gibbs
April 17, 1973 to Oct. 19, 1973

Charles L. Saunders, Jr.
Jan. 20, 1977 to April 15, 1977

Leon G. Wigrizer
April 16, 1977 to June 23, 1977

Lester Stein
June 1, 1979 to Nov. 16, 1979

Jerome D. Sebastian
Jan. 21, 1981 to Feb. 2, 1981
March 30, 1981 to Aug. 14, 1981

Emory L. Langdon
Feb. 3, 1981 to March 29, 1981

Joel Gerber
May 28, 1983 to March 17, 1984

V. Jean Owens
March 14, 1986 to July 27, 1986

Peter K. Scott
Nov. 1, 1988 to Feb. 6, 1990

David L. Jordan
Jan. 20, 1993 to Oct. 4, 1994

Richard Skillman
Jan. 20, 2001 to Feb. 6, 2002

Emily A. Parker
Aug. 1, 2003 to April 14, 2004

Clarissa C. Potter
Dec. 19, 2008 to July 24, 2009

NOTE: From 1866 to 1926, the chief legal officer for the Bureau of Internal Revenue was known as the Solicitor. For the next eight years, 1926 to 1934, the chief legal officer had the title of General Counsel. Since 1934, the chief legal officer has operated under the title of Chief Counsel, now for the Internal Revenue Service.

Department of the Treasury Internal Revenue Service

Steven T. Miller

Acting Commissioner

Rosemary D. Marcuss

Director, Research, Analysis, and Statistics

M. Susan Boehmer

Director, Statistics of Income Division

Barry W. Johnson

Chief, Special Studies Branch

Wayne K. Kei

Chief, Communications and Data Dissemination Section

The IRS Mission

Provide America's taxpayers top-quality service by helping them understand and meet their tax responsibilities and enforce the law with integrity and fairness to all.

