

Individual Income Tax Returns, Preliminary Data, 2002

Data Release

Taxpayers filed 130.2 million U.S. individual income tax returns for Tax Year 2002, a decrease of 0.2 percent from the 130.5 million returns filed for 2001. For the second consecutive year, Adjusted Gross Income (AGI) fell, decreasing by 2.3 percent to \$6.0 trillion for 2002. This represents the first time since prior to 1950 that total AGI reported on individual tax returns has fallen for 2 successive years. Tax Year 2002 had several other notable changes. Taxable income declined 4.3 percent to \$4.1 trillion, total income tax fell 10.6 percent to \$797.8 billion, and total tax liability decreased 10.1 percent to \$834.3 billion.

Figure A shows that the largest component of AGI, salaries and wages, decreased 0.4 percent to \$4,611.4 billion for Tax Year 2002, while the next largest component of AGI, taxable pensions and annuities, rose 5.5 percent to \$363.2 billion. Declining income items were led by net capital gains, which decreased by 24.4 percent to \$246.8 billion. Dividends also fell 14.9 percent to \$98.8 billion. Other income items with large percentage changes included unemployment compensation, which increased 59.7 percent to \$43.4 billion, and capital gain distributions, which declined 60.6 percent from \$13.9 billion in 2001 to \$5.5 billion in 2002. Also, net capital loss in AGI was up from Tax Year 2001, increasing by 30.5 percent to \$29.9 billion.

Statutory adjustments to total income increased 28.4 percent to \$75.3 billion for Tax Year 2002. The largest statutory adjustment was the deduction for one-half of self-employment tax, representing 23.9 percent of the total. This adjustment to income increased 3.5 percent to \$18.0 billion. The self-employed health insurance deduction increased 29.6 percent to \$10.0 billion. Payments to an Individual Retirement Arrangement (IRA) increased 28.4 percent to 9.6 billion for 2002. This latter increase was partially due to the law change that expanded the IRA deduction. Taxpayers, and a spouse, if filing jointly were able to deduct up to \$3,000 per taxpayer (\$3,500 if age 50 or older). Previously, the maximum adjustment was \$2,000 per taxpayer. Payments to self-employed retirement plans rose 25.0 percent to

\$15.6 billion. The deduction for interest on qualified student loans increased 64.8 percent to \$4.5 billion (see the Changes in Law section for details).

Total deductions, the sum of the standard deductions and total itemized deductions (after limitation) equaled \$1,373.6 billion, an increase of 1.9 percent from Tax Year 2001. The number of returns claiming the standard deductions decreased 1.9 percent, accounting for 63.7 percent of all returns filed and 36.0 percent of the total deductions amount. Mostly due to inflation indexing, the average standard deduction (comprised of the basic and additional standard deductions) increased 4.0 percent from \$5,734 for 2001 to \$5,963 for 2002. Itemized deductions were claimed on 35.0 percent of all returns filed for 2002 and represented 64.0 percent of the total deductions amount. The average total for itemized deductions (after limitation) was \$19,293, a 0.5-percent decrease from the 2001 average of \$19,392. Due to the AGI limitation on itemized deductions, 5.2 million higher-income taxpayers were unable to deduct \$26.2 billion in itemized deductions, a decrease of 13.8 percent from 2001. The interest paid deduction, comprising the largest portion (37.9 percent) of total itemized deductions

(before limitations), increased 0.9 percent to \$343.2 billion. The taxes paid deduction, accounting for 33.0 percent of the total (before limitations), decreased 1.9 percent to \$298.6 billion. The charitable contributions deduction increased 1.7 percent to \$136.4 billion.

Total tax credits used to offset income tax liabilities decreased 13.8 percent to \$39.0 billion. Almost 26.0 million taxpayers claimed \$21.6 billion in child tax credits, down 4.3 percent from the \$22.5 billion in 2001, and 6.5 million returns showed education tax credits totaling \$4.9 billion, a 5.2-percent decrease from the \$5.2 billion in 2001. The foreign tax credit also decreased 11.3 percent to \$5.2 billion.

The total earned income credit (EIC) increased 14.4 percent to \$38.7 billion for Tax Year 2002. This increase was partially due to changes in the law for the EIC that simplified and expanded the credit.

Taxable income declined 4.3 percent to \$4.1 trillion, total income tax fell 10.6 percent to \$797.8 billion, and total tax liability decreased 10.1 percent to \$834.3 billion.

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Individual Income Tax Returns, Preliminary Data, 2002

Figure A

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2001 and 2002

[Money amounts are in thousands of dollars]

Item	2001	2002	Percentage change
	(1)	(2)	(3)
Number of returns, total.....	130,456,253	130,201,415	-0.2
Form 1040 returns.....	80,343,940	80,490,588	0.2
Form 1040A returns.....	28,482,046	28,906,249	1.5
Form 1040EZ returns ¹	21,630,268	20,804,579	-3.8
Electronically-filed returns ^{1, 2}	47,681,420	53,719,882	12.7
Adjusted gross income (less deficit).....	6,181,889,543	6,039,405,382	-2.3
Salaries and wages:			
Number of returns.....	111,600,674	111,350,158	-0.2
Amount.....	4,611,431,462	4,594,558,226	-0.4
Taxable interest:			
Number of returns.....	67,719,713	63,740,332	-5.9
Amount.....	187,014,125	139,294,544	-25.5
Tax-exempt interest: ³			
Number of returns.....	4,571,684	4,451,532	-2.6
Amount.....	56,091,639	53,883,081	-3.9
Dividends:			
Number of returns.....	32,596,185	31,405,307	-3.7
Amount.....	116,037,543	98,758,800	-14.9
State income tax refunds:			
Number of returns.....	22,208,840	23,919,233	7.7
Amount.....	20,193,280	22,653,944	12.2
Alimony received:			
Number of returns.....	425,505	428,548	0.7
Amount.....	6,558,816	6,321,174	-3.6
Business or profession net income:			
Number of returns.....	13,608,626	13,736,189	0.9
Amount.....	241,732,033	248,994,633	3.0
Business or profession net loss:			
Number of returns.....	4,432,460	4,852,573	9.5
Amount.....	31,537,028	34,527,253	9.5
Net capital gain: ⁴			
Number of returns.....	15,070,115	10,816,038	-28.2
Amount.....	326,421,064	246,831,535	-24.4
Capital gain distributions: ⁴			
Number of returns.....	12,302,102	7,616,563	-38.1
Amount.....	13,876,951	5,471,012	-60.6
Net capital loss:			
Number of returns.....	10,817,913	13,297,296	22.9
Amount.....	22,916,974	29,898,639	30.5
Sales of property other than capital assets, net gain:			
Number of returns.....	767,842	774,613	0.9
Amount.....	6,818,134	6,702,014	-1.7
Sales of property other than capital assets, net loss:			
Number of returns.....	798,078	882,024	10.5
Amount.....	8,209,308	8,983,762	9.4
Taxable Individual Retirement Arrangement distributions:			
Number of returns.....	8,946,754	8,367,444	-6.5
Amount.....	95,550,919	88,699,036	-7.2
Taxable pensions and annuities:			
Number of returns.....	22,541,155	23,033,571	2.2
Amount.....	344,248,974	363,178,764	5.5
Rent and royalty net income:			
Number of returns.....	5,574,695	5,582,242	0.1
Amount.....	61,329,547	61,749,654	0.7
Rent and royalty net loss:			
Number of returns.....	4,855,125	4,893,695	0.8
Amount.....	33,060,965	35,623,474	7.8

Footnotes at end of figure.

Individual Income Tax Returns, Preliminary Data, 2002

Figure A--Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2001 and 2002--Continued

[Money amounts are in thousands of dollars]

Item	2001	2002	Percentage change
	(1)	(2)	(3)
Partnership and S corporation net income:			
Number of returns.....	4,043,655	4,014,896	-0.7
Amount.....	271,311,548	284,700,191	4.9
Partnership and S corporation net loss:			
Number of returns.....	1,995,275	2,201,777	10.3
Amount.....	59,209,907	56,029,034	-5.4
Estate and trust net income:			
Number of returns.....	477,353	508,734	6.6
Amount.....	10,885,736	10,556,522	-3.0
Estate and trust net loss:			
Number of returns.....	42,140	36,687	-12.9
Amount.....	445,830	633,567	42.1
Farm net income:			
Number of returns.....	659,744	560,357	-15.1
Amount.....	8,076,885	6,537,448	-19.1
Farm net loss:			
Number of returns.....	1,357,402	1,431,285	5.4
Amount.....	18,335,978	20,219,702	10.3
Unemployment compensation:			
Number of returns.....	8,887,329	10,423,027	17.3
Amount.....	27,186,681	43,411,772	59.7
Taxable Social Security benefits:			
Number of returns.....	10,918,762	10,829,281	-0.8
Amount.....	95,117,645	94,696,163	-0.4
Total statutory adjustments:			
Number of returns.....	23,375,424	28,868,674	23.5
Amount.....	58,639,871	75,291,939	28.4
Educator expenses:			
Number of returns.....	N/A	2,918,977	N/A
Amount.....	N/A	719,526	N/A
Payments to an Individual Retirement Arrangement:			
Number of returns.....	3,489,724	3,323,683	-4.8
Amount.....	7,509,629	9,639,868	28.4
Student loan interest deduction:			
Number of returns.....	4,425,169	6,679,730	50.9
Amount.....	2,720,191	4,483,269	64.8
Tuition and fees deduction:			
Number of returns.....	N/A	3,473,139	N/A
Amount.....	N/A	6,224,780	N/A
Medical savings account deduction:			
Number of returns.....	68,437	63,897	-6.6
Amount.....	118,698	128,367	8.1
Moving expenses adjustment:			
Number of returns.....	936,093	942,457	0.7
Amount.....	2,137,051	2,204,827	3.2
Self-employment tax deduction:			
Number of returns.....	14,463,993	14,567,832	0.7
Amount.....	17,382,627	17,985,927	3.5
Self-employed health insurance deduction:			
Number of returns.....	3,414,913	3,452,308	1.1
Amount.....	7,730,019	10,019,154	29.6
Payments to a self-employed retirement (Keogh) plan:			
Number of returns.....	1,279,319	1,181,103	-7.7
Amount.....	12,471,858	15,590,116	25.0
Penalty on early withdrawal of savings:			
Number of returns.....	883,265	810,755	-8.2
Amount.....	199,332	195,551	-1.9
Alimony paid:			
Number of returns.....	651,630	591,534	-9.2
Amount.....	7,343,703	7,060,478	-3.9

Footnotes at end of figure.

Individual Income Tax Returns, Preliminary Data, 2002

Figure A--Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2001 and 2002--Continued

[Money amounts are in thousands of dollars]

Item	2001	2002	Percentage change
	(1)	(2)	(3)
Total deductions:			
Number of returns.....	129,040,587	128,482,042	-0.4
Amount.....	1,348,173,950	1,373,598,790	1.9
Basic standard deduction:			
Number of returns.....	84,508,410	82,909,453	-1.9
Amount.....	469,491,595	479,281,798	2.1
Additional standard deduction:			
Number of returns.....	11,227,119	10,986,607	-2.1
Amount.....	15,108,440	15,079,165	-0.2
Total itemized deductions (after limitation):			
Number of returns.....	44,532,177	45,572,589	2.3
Amount.....	863,573,915	879,237,828	1.8
Itemized deductions in excess of limitation:			
Number of returns.....	5,673,699	5,199,946	-8.3
Amount.....	30,431,661	26,240,256	-13.8
Medical and dental expenses deduction:			
Number of returns.....	7,497,570	8,527,941	13.7
Amount.....	45,892,847	51,873,191	13.0
Taxes paid deduction:			
Number of returns.....	43,805,620	44,742,669	2.1
Amount.....	304,446,730	298,629,419	-1.9
Interest paid deduction:			
Number of returns.....	36,746,377	37,509,263	2.1
Amount.....	340,166,542	343,191,909	0.9
Charitable contributions deduction:			
Number of returns.....	39,447,717	40,443,074	2.5
Amount.....	134,043,582	136,356,466	1.7
Taxable income:			
Number of returns.....	104,411,554	102,462,477	-1.9
Amount.....	4,282,988,540	4,099,015,901	-4.3
Alternative minimum tax:			
Number of returns.....	1,110,565	1,916,291	72.6
Amount.....	5,980,732	6,156,281	2.9
Income tax before credits:			
Number of returns.....	104,430,266	102,479,207	-1.9
Amount.....	937,495,468	836,773,441	-10.7
Total tax credits:⁵			
Number of returns.....	49,867,191	40,636,192	-18.5
Amount.....	45,229,945	38,985,352	-13.8
Child care credit:			
Number of returns.....	6,234,662	6,194,033	-0.7
Amount.....	2,741,353	2,710,432	-1.1
Credit for the elderly or disabled:			
Number of returns.....	141,117	134,742	-4.5
Amount.....	31,051	21,317	-31.3
Child tax credit:			
Number of returns.....	26,564,859	25,975,097	-2.2
Amount.....	22,528,880	21,562,208	-4.3
Education tax credits:			
Number of returns.....	7,282,324	6,529,334	-10.3
Amount.....	5,205,349	4,933,542	-5.2
Retirement savings contributions credit:			
Number of returns.....	N/A	5,370,533	N/A
Amount.....	N/A	1,071,537	N/A
Adoption credit:			
Number of returns.....	46,886	54,229	15.7
Amount.....	90,778	213,558	135.3
Foreign tax credit:			
Number of returns.....	3,937,418	3,742,101	-5.0
Amount.....	5,882,794	5,216,722	-11.3

Footnotes at end of figure.

Individual Income Tax Returns, Preliminary Data, 2002

Figure A--Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2001 and 2002--Continued

[Money amounts are in thousands of dollars]

Item	2001	2002	Percentage change
	(1)	(2)	(3)
General business credit:			
Number of returns.....	256,149	262,280	2.4
Amount.....	611,694	636,282	4.0
Prior year minimum tax credit:			
Number of returns.....	235,606	175,592	-25.5
Amount.....	1,434,956	927,308	-35.4
Self-employment tax:			
Number of returns.....	14,465,021	14,567,832	0.7
Amount.....	34,758,301	35,964,558	3.5
Total earned income credit (EIC):			
Number of returns.....	19,810,008	21,895,212	10.5
Amount.....	33,803,688	38,687,554	14.4
EIC used to offset income tax before credits:			
Number of returns.....	4,450,085	4,208,306	-5.4
Amount.....	1,486,850	1,125,694	-24.3
EIC used to offset other taxes:			
Number of returns.....	3,549,027	4,148,714	16.9
Amount.....	2,889,108	3,392,664	17.4
Excess EIC, refundable portion:			
Number of returns.....	16,827,409	18,971,435	12.7
Amount.....	29,427,729	34,169,197	16.1
Additional child tax credit:			
Number of returns.....	8,633,160	10,997,600	27.4
Amount.....	5,014,713	6,452,429	28.7
Total income tax:			
Number of returns.....	94,912,843	91,078,328	-4.0
Amount.....	892,298,267	797,791,644	-10.6
Total tax liability:			
Number of returns.....	97,667,755	94,204,253	-3.5
Amount.....	928,262,706	834,265,347	-10.1

¹ Includes TeleFile returns.

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

³ Not included in adjusted gross income.

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

⁵ Includes EIC used to offset income tax before credits, shown separately later in this figure.

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

Beginning in 2002, taxable earned income and AGI are used to determine if the credit can be taken, instead of taxable plus nontaxable earned income and modified AGI as in past years. Also, the alternative minimum tax no longer reduced the amount of the credit. Furthermore, marital status could affect the size of the EIC due to the different income thresholds for phasing out the credit. The portion of the EIC used to offset income tax before credits decreased 24.3 percent to \$1.1 billion, and the portion of the EIC used to offset other taxes (such as the self-employment tax) rose 17.4 percent to \$3.4 billion. The largest part of the EIC, the refundable portion, was

treated as a refund and paid directly to taxpayers who had no tax liability against which to apply the credit. The refundable portion of the EIC increased 16.1 percent to \$34.2 billion for 2002.

The comparisons of data for Tax Years 2001 and 2002 in this article are based on preliminary estimates for both years. A few income and tax items tend to be understated in preliminary estimates; therefore, comparisons based on preliminary estimates for one year and final estimates for the previous year could be misleading. Comparisons based entirely on preliminary estimates reduce the likelihood of misinterpretation of the data and afford a more accurate

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representation of year-to-year changes. Final statistics for Tax Year 2001 are available in the Fall 2003 issue of the *Bulletin*.

Changes in Law

In general, the definitions used in this article are the same as those in Statistics of Income--2001, Individual Income Tax Returns. The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the Tax Year 2002 preliminary data presented in this article.

Earned Income Credit.--There were changes for 2002 that expanded and simplified the earned income credit (EIC). Beginning in 2002, the sum of taxable and nontaxable earned income and modified AGI was not used in determining if the EIC could be taken and for the amount of the credit but rather taxable earned income and AGI were used. Also, alternative minimum tax no longer reduced the amount of the credit. New rules applied if a child meets the conditions to be a qualifying child of more than one person and also the length of time a foster child had to live with the taxpayer. The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends, and capital gain income) a taxpayer could have and still claim the credit increased to \$2,550 from \$2,450. The maximum credit for taxpayers with no qualifying children increased to \$376 from \$364. For these taxpayers, earned income and AGI had to be less than \$11,060 (\$12,060 if married filing jointly). For taxpayers with one qualifying child, the maximum credit increased \$78 to \$2,506, and, for taxpayers with two or more qualifying children, the maximum credit increased to \$4,140 from \$4,008. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than \$29,201 (\$30,201 for married filing jointly) for one qualifying child, or less than \$33,178 (\$34,178 for married filing jointly) for two or more qualifying children. Prior to 2002, marital status had no effect on the amount of EIC or these income thresholds.

Educator expenses.--A taxpayer who was an eligible educator in kindergarten through grade 12 was able to deduct up to \$250 of expenses even if he or she did not itemize deductions. Approximately 2.9

million taxpayers took advantage of this new provision, taking adjustments totaling \$0.7 billion for 2002.

Foreign Earned Income Exclusion.--For Tax Year 2002, the amount of foreign earned income that could have been excluded from income per taxpayer increased from \$78,000 to \$80,000.

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

Individual Retirement Arrangement deduction.--For 2002, a taxpayer, and or both taxpayers and taxpayers filing jointly, were able to take an IRA deduction up to \$3,000 (\$3,500 if age 50 or older) if covered by a retirement plan and their modified AGI was less than \$44,000 (\$64,000 if married filing jointly or qualifying widow(er)). For 2001, the maximum deduction was \$2,000 per taxpayer (regardless of age), and the income thresholds for taxpayers already covered by a retirement plan were \$1,000 lower.

Interest on Student Loans.--For Tax Year 2002, income thresholds for eligible taxpayers to deduct up to \$2,500 of interest paid on qualified higher educational loans were increased. These loans must have gone toward qualified expenses of either the taxpayer, taxpayer's spouse, or any dependent of the taxpayer at the time the debt was incurred. The taxpayer's modified AGI must have been less than: \$65,000 if single, head of household, or qualifying widow(er) (\$55,000 in 2001); or \$130,000 if married filing jointly (\$75,000 in 2001). The provision that limited the deduction to interest paid in the first 60 months was eliminated.

Retirement Savings Contributions Credit.--A taxpayer could take a credit of up to \$1,000 for qualified retirement savings contributions, if he or she adjusted gross income was less than \$25,000 (\$37,500 if head of household, \$50,000 if married filing jointly). Approximately 5.4 million taxpayers took this new credit reducing their income tax by about \$1.1 billion for 2002.

Standard mileage rate.--The standard mileage rate for the cost of operating the taxpayer's car, van,

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pickup, or panel truck for all business purposes rose from 34.5 cents a mile in 2001 to 36.5 cents in 2002.

Tax rate reduction.--For tax years beginning after December 31, 2001, a 10- percent regular income tax rate bracket was used for a portion of all taxpayers' taxable incomes. Also for Tax Year 2002, there was a reduction of the former tax rates of 27.5 percent, 30.5 percent, 35.5 percent, and 39.1 percent to 27.0 percent, 30.0 percent, 35.0 percent, and 38.6 percent, respectively.

Tuition and Fees deduction.--A taxpayer was able to deduct up to \$3,000 of the qualified tuition and fees paid for self, a spouse, or dependents if the taxpayer's modified AGI was under \$65,000 (\$130,000 if married filing jointly). This deduction could not be taken if the person could be claimed as a dependent on another taxpayer's return or if he or she claimed the education credit on the same student. Approximately 3.5 million taxpayers took this new adjustment deducting \$6.2 billion from income for 2002.

Self-Employed Health Insurance Deduction.--A self-employed taxpayer was able to deduct up to 70 percent of health insurance expenses for 2002, up from 60 percent for 2001.

Data Sources and Limitations

The preliminary statistics in this data release are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ including electronically-filed returns) filed during Calendar Year 2002. Returns in the sample were stratified, based on: (1) the larger of positive income or negative income; (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for Treasury Department tax modeling purposes [1]. Returns were then selected at rates ranging from 0.05 percent to 100 percent. The preliminary Tax Year

2001 data are based on a sample of 143,577 returns and an estimated final population of 130,462,606 returns. The corresponding sample and population for the preliminary 2001 data were 130,642,204 and 156,735 returns, respectively.

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

While the preliminary estimates are intended to represent a full year of taxpayer reporting, they are actually based on returns processed for tax administration purposes (in the case of 2002 returns, between January and late September of 2003). In general, returns processed during the remainder of each year tend to have somewhat different characteristics compared to returns processed earlier. These characteristics include, for example, disproportionately large amounts of investment income, passive losses, and alternative minimum tax.

Notes and References

- [1] Returns in the sample were stratified, based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Non-resident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss From Farming*.

Source: IRS, Statistics of Income Winter Bulletin 2003/2004, Publication 1136

Individual Income Tax Returns, Preliminary Data, 2002

Table 1.--Individual Income Tax Returns, Tax Year 2002 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income

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

Item	All returns	Size of adjusted gross income					
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	130,201,415	38,133,248	29,964,349	24,556,060	26,686,687	8,441,857	2,419,215
Form 1040 returns.....	80,490,588	15,169,299	13,516,734	16,114,985	24,828,498	8,441,857	2,419,215
Form 1040A returns.....	28,906,249	10,637,060	11,005,282	5,784,092	1,479,818	--	--
Form 1040EZ returns ²	20,804,579	12,326,892	5,442,332	2,656,982	378,371	--	--
Adjusted gross income (less deficit).....	6,039,405,382	211,416,670	657,946,093	959,676,913	1,864,378,996	1,112,924,259	1,233,062,452
Salaries and wages:							
Number of returns.....	111,350,158	29,567,201	25,430,039	22,062,794	24,433,633	7,740,528	2,115,963
Amount.....	4,594,558,226	222,052,266	524,154,294	795,258,364	1,522,199,089	867,232,369	663,661,844
Taxable interest:							
Number of returns.....	63,740,332	11,560,301	10,411,750	12,525,970	19,448,167	7,458,422	2,335,722
Amount.....	139,294,544	14,646,060	17,315,904	18,044,474	30,787,112	22,083,806	36,417,187
Tax-exempt interest: ³							
Number of returns.....	4,451,532	498,389	465,050	644,097	1,249,350	864,579	730,072
Amount.....	53,883,081	2,696,720	2,485,494	4,713,010	9,748,788	10,312,494	23,926,576
Dividends:							
Number of returns.....	31,405,307	5,308,206	4,283,797	5,144,988	9,630,358	5,040,595	1,997,363
Amount.....	98,758,800	6,983,609	7,262,067	8,601,017	19,668,399	18,717,982	37,525,729
State income tax refunds:							
Number of returns.....	23,919,233	777,568	2,102,359	5,012,000	10,599,940	4,236,062	1,191,301
Amount.....	22,653,944	641,355	1,048,503	2,782,941	7,517,144	4,987,854	5,676,151
Alimony received:							
Number of returns.....	428,548	82,597	113,199	125,602	88,932	13,111	5,106
Amount.....	6,321,174	596,903	918,082	1,424,542	2,073,804	597,385	710,455
Business or profession net income:							
Number of returns.....	13,736,189	4,026,507	2,573,669	2,264,012	3,113,998	1,258,822	499,181
Amount.....	248,994,633	26,935,213	29,143,258	30,200,689	56,829,597	50,796,618	55,089,260
Business or profession net loss:							
Number of returns.....	4,852,573	970,938	790,548	1,019,019	1,443,606	490,565	137,897
Amount.....	34,527,253	11,851,224	4,377,654	5,040,115	7,488,744	2,970,192	2,799,325
Net capital gain reported on Schedule D:							
Number of returns.....	9,869,673	1,435,523	1,430,607	1,570,333	3,034,807	1,635,385	763,020
Amount.....	246,392,400	6,918,067	4,457,704	6,367,392	20,763,560	31,463,749	176,421,932
Capital gain distributions reported on Form 1040:							
Number of returns.....	946,365	226,160	127,047	176,255	289,603	97,845	29,457
Amount.....	439,135	66,684	70,858	98,572	104,329	86,419	12,271
Net capital loss:							
Number of returns.....	13,297,296	2,503,947	1,544,680	2,009,340	3,819,522	2,335,032	1,084,774
Amount.....	29,898,639	5,582,511	3,269,772	4,309,944	8,305,573	5,530,566	2,900,273
Sales of property other than capital assets, net gain:							
Number of returns.....	774,613	131,194	104,287	119,264	199,132	127,751	92,989
Amount.....	6,702,014	856,183	487,751	643,642	1,440,008	1,076,275	2,198,156
Sales of property other than capital assets, net loss:							
Number of returns.....	882,024	150,741	106,924	119,086	216,211	134,005	155,056
Amount.....	8,983,762	4,707,163	418,165	674,786	729,991	524,339	1,929,315
Taxable Individual Retirement Arrangement distributions:							
Number of returns.....	8,367,444	1,448,031	1,867,650	1,671,541	2,378,079	791,946	210,197
Amount.....	88,699,036	5,563,089	10,873,442	12,846,412	30,368,883	18,594,547	10,452,665
Taxable pensions and annuities:							
Number of returns.....	23,033,571	4,379,131	5,323,404	4,706,414	6,211,482	1,955,358	457,780
Amount.....	363,178,764	27,188,901	60,398,487	71,058,308	129,414,180	56,812,382	18,306,503
Rent and royalty net income:							
Number of returns.....	5,582,242	886,233	908,641	924,068	1,574,116	814,280	474,905
Amount.....	61,749,654	4,792,401	4,703,402	5,254,654	12,871,875	12,009,784	22,117,536
Rent and royalty net loss:							
Number of returns.....	4,893,695	683,198	694,378	864,243	1,633,772	740,732	277,372
Amount.....	35,623,474	5,916,059	3,805,300	5,211,335	10,858,093	5,682,972	4,149,715
Partnership and S corporation net income:							
Number of returns.....	4,014,896	363,330	338,516	497,207	1,082,211	908,453	825,179
Amount.....	284,700,191	2,981,329	3,252,561	6,485,614	19,360,921	37,667,316	214,952,451

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 2002

Table 1.--Individual Income Tax Returns, Tax Year 2002 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income--Continued

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

Item	All returns	Size of adjusted gross income					
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Partnership and S corporation net loss:							
Number of returns.....	2,201,777	415,509	215,890	331,883	628,858	389,478	220,159
Amount.....	56,029,034	28,470,883	2,533,180	2,970,684	5,604,015	5,322,522	11,127,752
Estate and trust net income:							
Number of returns.....	508,734	79,297	46,687	72,162	147,267	94,444	68,880
Amount.....	10,556,522	367,560	145,583	487,876	1,081,399	1,410,104	7,063,999
Estate and trust net loss:							
Number of returns.....	36,687	3,694	2,984	2,066	12,457	10,456	5,030
Amount.....	633,567	401,137	190	11,085	12,702	46,067	162,387
Farm net income:							
Number of returns.....	560,357	143,754	115,466	109,911	145,114	30,304	15,812
Amount.....	6,537,448	871,179	1,102,924	1,035,101	1,926,039	809,197	793,008
Farm net loss:							
Number of returns.....	1,431,285	313,641	289,401	301,388	370,947	105,180	50,729
Amount.....	20,219,702	6,664,241	2,808,036	3,331,440	3,868,544	1,556,005	1,991,435
Unemployment compensation:							
Number of returns.....	10,423,027	2,306,486	2,875,458	2,267,189	2,429,327	490,673	53,895
Amount.....	43,411,772	7,783,603	12,387,076	9,451,487	10,908,998	2,539,133	341,479
Taxable Social Security benefits:							
Number of returns.....	10,829,281	76,873	2,140,540	3,341,996	3,837,346	1,066,812	365,713
Amount.....	94,696,163	318,992	3,811,115	19,194,835	47,667,635	17,164,541	6,539,044
Total statutory adjustments:							
Number of returns.....	28,868,674	5,486,188	5,267,809	5,805,446	8,138,695	3,144,561	1,025,972
Amount.....	75,291,939	5,908,506	8,105,772	10,251,024	20,029,459	15,863,066	15,134,109
Educator expenses:							
Number of returns.....	2,918,977	82,025	301,883	600,015	1,345,364	539,658	50,033
Amount.....	719,526	16,994	66,122	139,216	340,758	144,000	12,433
Payments to an Individual Retirement Arrangement:							
Number of returns.....	3,323,683	228,188	652,821	844,714	1,026,763	476,377	94,819
Amount.....	9,639,868	438,782	1,545,942	2,291,658	3,100,458	1,771,352	491,674
Student loan interest deduction:							
Number of returns.....	6,679,730	557,354	1,410,290	1,962,081	2,355,660	394,341	--
Amount.....	4,483,269	260,841	877,799	1,372,403	1,756,917	215,308	--
Tuition and fees deduction:							
Number of returns.....	3,473,139	537,026	496,370	570,431	1,286,283	583,029	--
Amount.....	6,224,780	1,000,973	765,628	834,208	2,335,676	1,288,296	--
Medical savings account deduction:							
Number of returns.....	63,897	6,739	6,982	11,684	17,178	11,042	10,269
Amount.....	128,367	8,118	7,505	16,950	38,977	28,393	28,424
Moving expenses adjustment:							
Number of returns.....	942,457	97,990	194,377	210,548	285,667	125,230	28,646
Amount.....	2,204,827	212,419	267,875	360,687	793,576	432,144	138,126
Self-employment tax deduction:							
Number of returns.....	14,567,832	4,082,656	2,680,532	2,341,032	3,241,835	1,472,264	749,511
Amount.....	17,985,927	2,026,543	2,303,451	2,474,759	4,601,262	3,496,489	3,083,424
Self-employed health insurance deduction:							
Number of returns.....	3,452,308	558,548	633,841	583,678	798,647	499,948	377,643
Amount.....	10,019,154	1,155,516	1,392,076	1,502,855	2,390,297	1,770,345	1,808,064
Payments to a self-employed retirement (Keogh) plan:							
Number of returns.....	1,181,103	28,834	57,748	106,221	329,856	376,230	282,217
Amount.....	15,590,116	211,490	190,060	650,666	2,491,028	4,883,926	7,162,947
Penalty on early withdrawal of savings:							
Number of returns.....	810,755	176,449	175,209	153,852	214,280	71,505	19,462
Amount.....	195,551	63,231	32,521	26,481	30,509	31,256	11,554
Alimony paid:							
Number of returns.....	591,534	33,958	72,762	104,462	210,298	112,620	57,434
Amount.....	7,060,478	324,328	593,911	474,821	1,865,100	1,619,896	2,182,421
Total deductions:							
Number of returns.....	128,482,042	36,422,103	29,961,314	24,551,954	26,685,623	8,441,857	2,419,192
Amount.....	1,373,598,790	203,957,986	216,247,599	223,726,633	374,444,282	204,557,102	150,665,188
Basic standard deduction:							
Number of returns.....	82,909,453	34,553,276	24,899,609	14,827,360	7,759,830	718,558	150,822
Amount.....	479,281,798	174,429,616	149,642,794	93,973,635	54,947,145	5,220,800	1,067,807

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 2002

Table 1.--Individual Income Tax Returns, Tax Year 2002 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income--Continued

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

Item	All returns	Size of adjusted gross income					
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Additional standard deduction:							
Number of returns.....	10,986,607	4,310,584	3,320,368	1,712,225	1,389,316	213,111	41,003
Amount.....	15,079,165	5,661,082	4,652,858	2,395,958	1,988,144	321,177	59,946
Total itemized deductions (after limitation):							
Number of returns.....	45,572,589	1,868,829	5,061,706	9,724,595	18,925,793	7,723,299	2,268,371
Amount.....	879,237,828	23,867,291	61,951,943	127,357,040	317,508,993	199,015,125	149,537,436
Itemized deductions in excess of limitation:							
Number of returns.....	5,199,946	--	--	--	100,986	2,831,001	2,267,959
Amount.....	26,240,256	--	--	--	34,148	2,167,855	24,038,253
Medical and dental expenses deduction:							
Number of returns.....	8,527,941	1,189,649	2,294,453	2,438,283	2,222,669	349,821	33,066
Amount.....	51,873,191	8,803,610	13,513,251	12,175,867	12,607,391	3,837,129	935,943
Taxes paid deduction:							
Number of returns.....	44,742,669	1,692,360	4,805,653	9,535,415	18,756,850	7,691,016	2,261,374
Amount.....	298,629,419	3,785,536	11,183,299	30,388,454	97,021,894	75,258,205	80,992,031
Interest paid deduction:							
Number of returns.....	37,509,263	1,121,198	3,483,648	7,789,367	16,448,234	6,759,737	1,907,079
Amount.....	343,191,909	7,896,904	22,481,490	53,357,354	137,571,841	79,932,691	41,951,632
Charitable contributions deduction:							
Number of returns.....	40,443,074	1,361,149	4,082,355	8,184,124	17,247,709	7,373,371	2,194,367
Amount.....	136,356,466	1,936,288	7,713,797	16,421,276	43,631,541	28,571,591	38,081,975
Taxable income:							
Number of returns.....	102,462,477	13,326,393	27,403,006	24,274,950	26,609,475	8,432,302	2,416,352
Amount.....	4,099,015,901	41,540,998	283,037,569	581,387,093	1,281,471,577	836,249,547	1,075,329,118
Alternative minimum tax:							
Number of returns.....	1,916,291	9,252	5,701	49,966	476,076	763,479	611,818
Amount.....	6,156,281	107,156	12,947	53,972	609,478	1,631,405	3,741,323
Income tax before credits:							
Number of returns.....	102,479,207	13,327,486	27,405,148	24,279,630	26,614,504	8,434,895	2,417,543
Amount.....	836,773,441	4,456,406	34,218,011	80,014,862	210,164,133	178,837,318	329,082,710
Total tax credits: ⁴							
Number of returns.....	40,636,192	3,000,097	11,400,765	10,192,849	12,157,232	3,008,589	876,662
Amount.....	38,985,352	514,465	6,596,654	9,254,134	14,161,370	2,933,209	5,525,515
Child care credit:							
Number of returns.....	6,194,033	84,468	1,288,587	1,474,766	2,382,835	820,497	142,882
Amount.....	2,710,432	11,741	510,807	645,653	1,074,287	394,369	73,578
Credit for the elderly or disabled:							
Number of returns.....	134,742	82,898	51,843	--	--	--	--
Amount.....	21,317	14,803	6,512	--	--	--	--
Child tax credit:							
Number of returns.....	25,975,097	513,080	6,650,073	7,266,932	9,757,887	1,787,125	--
Amount.....	21,562,208	67,628	3,249,896	6,405,551	10,274,622	1,564,510	--
Education tax credits:							
Number of returns.....	6,529,334	617,248	1,764,834	1,873,657	2,253,877	19,716	--
Amount.....	4,933,542	214,187	1,164,864	1,471,505	2,082,285	701	--
Retirement savings contributions credit:							
Number of returns.....	5,370,533	310,323	2,446,694	2,613,518	--	--	--
Amount.....	1,071,537	74,832	564,455	432,249	--	--	--
Adoption credit:							
Number of returns.....	54,229	--	2,044	7,230	33,019	11,931	5
Amount.....	213,558	--	773	10,998	125,586	76,108	94
Foreign tax credit:							
Number of returns.....	3,742,101	183,363	332,575	506,310	1,160,236	882,157	677,464
Amount.....	5,216,722	5,631	39,098	78,208	298,629	567,811	4,227,341
General business credit:							
Number of returns.....	262,280	6,179	13,776	35,026	87,177	62,023	58,099
Amount.....	636,282	2,105	4,765	31,491	145,426	106,261	346,235
Prior year minimum tax credit:							
Number of returns.....	175,592	3,957	6,842	7,443	33,851	59,989	63,510
Amount.....	927,308	987	4,320	5,909	38,890	144,901	732,302
Self-employment tax:							
Number of returns.....	14,567,832	4,082,656	2,680,532	2,341,032	3,241,835	1,472,264	749,511
Amount.....	35,964,558	4,051,109	4,605,514	4,948,381	9,200,833	6,992,249	6,166,476

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 2002

Table 1.--Individual Income Tax Returns, Tax Year 2002 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income--Continued

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

Item	All returns	Size of adjusted gross income					
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total earned income credit (EIC):							
Number of returns.....	21,895,212	12,111,311	8,968,181	815,719	--	--	--
Amount.....	38,687,554	22,028,084	16,327,904	331,566	--	--	--
EIC used to offset income tax before credits:							
Number of returns.....	4,208,306	1,184,104	2,732,620	291,579	--	--	--
Amount.....	1,125,694	99,966	961,931	63,797	--	--	--
EIC used to offset other taxes:							
Number of returns.....	4,148,714	2,664,477	1,346,490	137,749	--	--	--
Amount.....	3,392,664	2,039,845	1,310,536	42,281	--	--	--
Excess EIC, refundable portion:							
Number of returns.....	18,971,435	10,696,459	7,729,787	545,191	--	--	--
Amount.....	34,169,197	19,888,278	14,055,433	225,488	--	--	--
Additional child tax credit:							
Number of returns.....	10,997,600	2,984,828	6,175,158	1,638,210	191,472	**7,930	**
Amount.....	6,452,429	927,789	4,036,259	1,311,915	170,898	**5,569	**
Total income tax:							
Number of returns.....	91,078,328	11,452,714	19,846,020	22,508,983	26,424,758	8,429,273	2,416,582
Amount.....	797,791,644	3,942,140	27,621,357	70,760,725	196,005,282	175,904,422	323,557,715
Total tax liability:							
Number of returns.....	94,204,253	13,524,504	20,556,878	22,800,095	26,474,481	8,430,966	2,417,331
Amount.....	834,265,347	6,081,348	30,991,561	76,067,186	206,696,104	183,840,135	330,589,014

** Data combined to prevent disclosure of specific taxpayer information.

¹ Includes returns with adjusted gross deficit.

² Includes TeleFile returns.

³ Not included in adjusted gross income.

⁴ Includes EIC used to offset income tax before credits, shown separately later in this table.

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