

# Preliminary Income and Tax Statistics for 1983 Individual Income Tax Returns

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Preliminary data from individual income tax returns for Tax Year 1983 reflect a recovering economy and tax law changes. The 1983 data and the changes from 1982 are summarized in Figure A [1].

Wages and salaries grew by 5.5 percent and adjusted gross income (AGI) rose by 5.3 percent. While interest income decreased (2.6 percent), probably because of a drop in the level of interest rates, net gains (less losses) from sales of capital assets and net profits (less losses) from nonfarm businesses and professions increased dramatically, 32.1 percent and 16.2 percent, respectively. In spite of the increase in income, the total reported tax liability [2] remained virtually unchanged from 1982, a result of the tax cuts phased in by the Economic Recovery Tax Act of 1981.

## SELECTED SOURCES OF INCOME

Adjusted gross income reported for Tax Year 1983 increased to an all-time high of nearly \$2 trillion. Salaries and wages, the largest single component of AGI, increased by \$86.7 billion (5.5 percent) to \$1.65 trillion. Salaries and wages were reported on 83.3 million (86.5 percent) of the 96.3 million returns filed for Tax Year 1983 (see Figure B).

Interest rates declined from 1982 to 1983. As a result, the amount of interest reported decreased by 2.6 percent, even though the number of returns reporting interest income increased by 8.1 percent. Dividends in AGI followed a similar pattern; the number of returns with dividends increased while the amount reported decreased by \$3.2 billion, down to \$48.9 billion.

Reflecting the economic recovery during Tax Year 1983, net profits (less losses) from nonfarm businesses and professions rose by \$8.2 billion, a substantial 16.2-percent increase from Tax Year 1982. (Net profits less losses from businesses and professions had declined in both 1981 and 1982.)

Net capital gains (less losses) from sales of capital assets increased to \$45.4 billion, a rise of 32.1 percent from Tax Year 1982. This large jump in reported capital gains may be due partly to a new requirement introduced during Tax Year 1983. After June 30, brokers were required to report individuals' proceeds from the sales of stocks, bonds, and commodities to the Internal Revenue Service.

Pensions in AGI were reported on 10.1 million returns for Tax Year 1983, an increase of almost 1.3 million returns from Tax Year 1982. The increase in the number of returns undoubtedly reflects the growing elderly population in the United States. The dollar amount of pensions in AGI also increased at a rapid rate, rising by 16.6 percent to \$70.1 billion, continuing the trend of recent years [3].

## STATUTORY ADJUSTMENTS

The deduction for two-earner married couples was increased from 5 percent to 10 percent of the lower earning spouse's earned income up to \$30,000. (Hence, the maximum allowable deduction was doubled from \$1,500 to \$3,000.) The amount claimed by taxpayers more than doubled from \$9.0 million to \$19.9 million, while the number of returns showing this adjustment increased by only 4.6 percent.

Adjustments to AGI for payments to individual retirement arrangements (IRA's) continued to be popular. Both the number of returns and the amount claimed for payments to IRA's increased by more than 14 percent, from 12.0 million to 13.7 million returns and from \$28.3 billion to \$32.3 billion, respectively. An administrative decision allowed taxpayers in 1983 to claim the adjustment on the short Form 1040A. Of the 13.7 million returns on which taxpayers claimed payments for IRA's, 850,000 (6.2 percent) were Form 1040A's. The total amount of IRA payments claimed on the Form 1040A's was \$1.3 billion, 4.1 percent of the total.

Primarily because of the law change for two-earner couples, statutory adjustments to income

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## Individual Returns, 1983

Figure A.--Sources of Income and Selected Tax Items, 1982 and 1983

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

Item	1982 (Final)	1983 (Preliminary)	Change, 1982 to 1983	Percent change 1982 to 1983
	(1)	(2)	(3)	(4)
Number of returns, total .....	95,337,432	96,293,634	956,202	1.0
Taxable .....	77,035,300	78,080,885	1,045,585	1.4
Nontaxable .....	18,302,132	18,212,749	-89,383	-0.5
Adjusted gross income less deficit .....	1,852,135,465	1,950,788,489	98,653,024	5.3
Sources of income:				
Salaries and wages .....	1,564,995,190	1,651,743,995	86,748,805	5.5
Interest received .....	157,021,475	152,932,050	-4,089,425	-2.6
Dividends in adjusted gross income .....	52,142,410	48,940,107	-3,202,303	-6.1
State income tax refunds .....	4,996,947	5,721,002	724,055	14.5
Alimony received .....	1,946,143	2,277,855	331,712	17.0
Business or profession net profit less loss .....	50,573,163	58,764,191	8,191,028	16.2
Sales of capital assets net gain less loss .....	34,403,728	45,457,326	11,053,598	32.1
Sales of property other than capital assets net gain less loss .....	614,103	1,065,108	451,005	73.4
Pensions and annuities in adjusted gross income .....	60,123,166	70,080,653	9,957,487	16.6
Rent net income less loss .....	-8,478,178	-9,649,546	-1,171,368	-13.8
Royalty net income less loss .....	6,318,826	5,270,142	-1,048,684	-16.6
Farm rental net income less loss .....	2,177,533	2,086,584	-90,949	-4.2
Estate or trust net income less loss ...	5,746,586	5,962,185	215,599	3.8
Partnership net profit less loss .....	-908,409	246,758	1,155,167	127.2
Small Business Corporation net profit less loss .....	-849,757	3,172,387	4,022,144	473.3
Credit/refund for overpayment of windfall profit tax .....	90,918	88,847	-2,071	-2.3
Deduction for windfall profit tax withheld .....	844,209	584,182	-260,027	-30.8
Farm net profit less loss .....	-9,833,548	-8,597,948	1,235,600	12.6
Unemployment compensation in adjusted gross income .....	7,089,116	7,142,383	53,267	0.8
Other income less loss .....	-10,302,673	-9,738,946	563,727	5.5
Total statutory adjustments .....	64,887,065	81,592,462	16,705,397	25.7
Total itemized deductions .....	284,506,318	307,053,804	22,547,486	7.9
Number of exemptions .....	232,191,565	234,365,569	2,174,004	0.9
Taxable income .....	1,473,348,899	1,551,344,327	77,995,428	5.3
Zero bracket amount .....	241,461,855	244,917,864	3,456,009	1.4
Income tax before credits .....	283,931,862	282,013,019	-1,918,843	-0.7
Total credits .....	7,854,493	7,866,028	11,535	0.1
Income tax after credits .....	276,077,369	274,146,992	-1,930,377	-0.7
Additional tax for tax preferences:				
Total .....	1,519,921	1,938,998	419,077	27.6
Minimum tax .....	450,706	8,101	-442,605	-98.2
Alternative minimum tax .....	1,069,214	1,930,896	861,682	80.6
Total income tax .....	277,597,290	276,085,990	-1,511,300	-0.5
Self-employment tax .....	6,827,299	7,516,221	688,922	10.1
Total tax liability .....	284,707,890	283,874,905	-832,985	-0.3

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

Figure B.--Selected 1983 Sources of Income and Percent Change from 1982

Income source	1983 Number of returns (thousands)	Percent change from 1982	1983 Amount (millions)	Percent change from 1982
	(1)	(2)	(3)	(4)
Wages and salaries .....	83,326	0.3%	\$1,651,744	5.5%
Interest .....	57,138	8.1	152,932	-2.6
Dividends in AGI .....	13,265	0.7	48,940	-6.1
Businesses and professions, net profits less losses .....	10,678	5.8	58,764	16.2
Sales of capital assets, net capital gains less losses .....	9,408	-2.4	45,457	32.1
Pensions in AGI .....	10,117	14.6	70,081	16.6

NOTE: The total income less losses shown on individual income tax returns for 1983 amounted to \$2,032.4 billion; with total statutory adjustments of \$81.6 billion, AGI became \$1,950.8 billion. Thus the six sources shown above which totalled \$2,027.9 billion accounted for 99.8 percent of total income (less losses).

claimed by taxpayers increased by more than 25 percent, and the number of returns claiming these adjustments increased by 4.6 percent. Together, the deductions for a working married couple and payments to IRA's made up 64 percent of statutory adjustments (see Figure C).

#### ITEMIZED DEDUCTIONS

Figure D shows changes in itemized deductions from Tax Year 1982 to 1983. Both the number of returns claiming itemized deductions and the total amount of the deductions reported increased for Tax Year 1983. Returns with itemized deductions rose from 33.4 million for Tax Year 1982 to 35.2 million for Tax Year 1983, a 5.3-percent increase. The percent of all returns on which deductions were itemized rose from 35 percent to 36.6 percent. The percentage of returns with itemized deductions has been rising steadily since Tax Year 1979. The amount of total itemized deductions increased to \$307.1 billion from \$284.5 billion.

The increase in overall itemized deductions occurred despite tax law changes that altered the way that the medical and dental expense and the casualty and theft loss deductions were computed.

For Tax Year 1983, the medical and dental expense deduction was changed as follows. Taxpayers could no longer take a separate deduction of up to \$150 for one-half of health insurance premiums paid. Also, to compute the medical and dental expense deduction for 1983, taxpayers reduced their medical and dental expenses (including health insurance premiums) by 5 percent of their AGI. For 1982, taxpayers reduced their medical and dental expenses by only 3 percent of AGI and the partial health insurance premium deduction was not subject to any reduction.

As a consequence of these changes, for the first time since 1977 there was a decrease in both the number of returns claiming the medical and dental expense deduction and the total amount claimed. The number of returns filed with medical and dental expense deductions dropped by 56.2 percent to 9.6 million and the amount of deductions declined 17.8 percent to \$17.9 billion.

Since individuals who had previously claimed only health insurance premiums as deductions could no longer do so, many small deductions were eliminated. Taxpayers who had large medical expenses continued to claim the deduction, albeit with the deductible amount reduced by 5 percent instead of 3 percent of AGI. Because many small deductions were eliminated, the average deduction per return increased from \$987 per return for 1982 to \$1,852 per return for 1983.

The amount of nonbusiness casualty and theft losses that could be claimed as an itemized deduction was also modified for Tax Year 1983. For 1983, taxpayers were allowed to deduct nonbusiness casualty and theft losses only if these losses exceeded 10 percent of their adjusted gross incomes. At the same time, the requirement to reduce each nonbusiness casualty and theft loss by \$100 was retained. The effect of this change was to reduce the number of returns claiming these losses by more than 90 percent from more than two million to less than 200,000. The amount of losses claimed as itemized deductions dropped from \$2.8 billion to \$0.8 billion.

#### TAX CREDITS

The total amount of tax credits claimed and the number of returns with credits increased slightly from Tax Years 1982 to 1983. For

## Individual Returns, 1983

Figure C.--Selected 1983 Statutory Adjustments and Percent Change from 1982

Statutory adjustments	1983	Percent change from 1982	1983	Percent change from 1982
	Number of returns (thousands)		Amount (millions)	
	(1)	(2)	(3)	(4)
Total .....	34,967	4.6%	\$81,592	25.7%
Employee business expense .....	7,372	4.5	17,691	8.7
Payments to an IRA .....	13,722	14.3	32,348	14.4
Payments to a Keogh plan .....	663	18.6	2,939	18.4
Deduction for working married couple .....	22,678	4.6	19,885	119.8
Other adjustments .....	3,249	-11.2	8,729	-0.9

NOTE: There were eleven statutory adjustments that could be made to income for Tax Year 1983. The four that are shown separately accounted for 89.3 percent of the total. The remaining statutory adjustments were for moving expense, forfeited interest penalty, alimony paid, disability income exclusion, foreign housing, foreign earned income, and any other adjustments.

Figure D.--1983 Itemized Deductions and Percent Change From 1982

Itemized deductions	1983	Percent change from 1982	1983	Percent change from 1982
	Number of returns (thousands)		Amount (millions)	
	(1)	(2)	(3)	(4)
Total .....	35,201	5.3%	\$307,054	7.9%
Medical and dental expense .....	9,638	-56.2	17,850	-17.8
Taxes paid .....	34,849	5.3	100,153	13.8
Interest paid .....	31,653	4.7	132,468	8.7
Contributions .....	32,060	5.1	37,521	12.1
Miscellaneous .....	29,040	4.6	19,061	-1.9
Net casualty or theft losses .....	191	-91.5	831	-70.5

1983, 19.4 million returns were filed claiming total tax credits of \$7.9 billion. The two most popular tax credits were for investment and for child care; they accounted for 75.9 percent of the total amount of tax credits.

The investment credit was the largest single tax credit claimed, making up 49.7 percent of the total amount claimed for tax credits. However, the amount of investment credit claimed dropped 5.7 percent, from \$4.1 billion for Tax Year 1982 to \$3.9 billion for Tax Year 1983. Investment credits are claimed mostly by businesses and partnerships for "qualified" investment property that is placed in service during the tax year. A 1983 tax law change reduced the percentage of investment expenses above \$25,000 that could be applied against the specified tax liability (see Definitions and Tax Law Changes in this article.)

Tax Year 1983 was the first year in which taxpayers claiming the child care credit could use Form 1040A. Approximately 1.4 million (28 percent) more returns were filed with the child care credit for Tax Year 1983, and the amount claimed increased by \$0.6 billion (37.3 percent).

Figure E.--Selected Tax Credits Reported on All Returns, 1982 and 1983

[Millions of dollars]

Tax Year	Total tax credits	Investment credit	Child care credit
1982 .....	\$7,854	\$4,140	\$1,501
1983 .....	7,866	3,905	2,061

## TAXABLE INCOME AND INCOME TAX

Taxable income increased by 5.3 percent (approximately \$78 billion). However, total income tax decreased by 0.5 percent, and total tax liability fell by 0.2 percent [2, 4]. Tax rate cuts phased in by the Economic Recovery Tax Act of 1981 were the main cause of these tax decreases, even though taxable income rose (see Figure F).

Figure F.--Adjusted Gross Income, Taxable Income, and Total Tax Liability, 1980-1983

[Millions of dollars]

	Adjusted gross income	Taxable income	Total tax liability
1980 .....	\$1,613,731	\$1,279,985	\$256,251
1981 .....	1,772,604	1,410,881	291,127
1982 .....	1,852,135	1,473,349	284,708
1983 .....	1,950,788	1,551,344	283,875

The number of returns with total income tax reported rose from 77.0 million for Tax Year 1982 to 78.1 million for Tax Year 1983, an increase of 1.4 percent. The proportion of returns with total income tax has been increasing slowly since Tax Year 1977 and by Tax Year 1983, these "taxable returns" represented 81.1 percent of the 96.3 million returns filed.

Beginning for Tax Year 1983, the minimum tax, previously applying to taxpayers with large amounts of tax preferences, was rescinded. At

the same time, the alternative minimum tax, also applied to taxpayers with tax preferences, was revised to cover many of the preferences previously covered under the minimum tax. Primarily as a result of these revisions, the number of returns reporting alternative minimum tax nearly doubled to 236,000 for Tax Year 1983, and the amount of additional tax for tax preferences (the sum of alternative minimum tax and minimum tax) increased by 27.6 percent to \$1.9 billion [5]. Increased use of tax preferences, the increase in the alternative minimum tax rate to a flat 20 percent, and the increase in alternative minimum taxable income against which the tax computation was applied may also have contributed to the increased amount of alternative minimum tax reported.

## FILING PATTERNS

The number of individual income tax returns filed for Tax Year 1983 reached an all-time high of 96.3 million--a 1-percent increase over the 95.3 million returns filed for Tax Year 1982. Use of Forms 1040 and 1040EZ continued to rise, while use of Form 1040A declined (see Figure G). Nearly 61 million Form 1040's were filed, accounting for 63.3 percent of total returns. Tax Year 1983 was the second year of existence of Form 1040EZ, and the new form continued to be popular. Approximately 1 million more Form 1040EZ's (15.8 million) were filed for Tax Year 1983 than for 1982. Also, 1.5 million fewer Form 1040A's were filed for Tax Year 1983, even though Tax Year 1983 was the first year in which taxpayers who deducted payments to an IRA or claimed the child care tax credit were able to use Form 1040A.

Figure G.--Number of Returns Filed and Percent of All Returns by Type of Return and Percent Change, 1982 and 1983.

Type of return	Tax Year 1982		Tax Year 1983		Percent change in number of returns 1982 to 1983
	Number of returns (thousands)	Percent of all returns	Number of returns (thousands)	Percent of all returns	
	(1)	(2)	(3)	(4)	(5)
Total .....	95,337	100.0%	96,294	100.0%	1.0%
1040 .....	59,465	62.4	60,939	63.3	2.5
1040A .....	21,069	22.1	19,554	20.3	-7.2
1040EZ .....	14,803	15.5	15,801	16.4	6.7

## SUMMARY

Changes reflecting a recovering economy as well as inflation accounted for increases in income from salaries and wages and the corresponding increase in AGI. Economic conditions also influenced the decrease in interest income and the increase in net profits from businesses and professions. The increase in the net gains from sales of capital assets was at least partially caused by the new reporting requirement. Continued growth of the elderly population was reflected in the number of taxpayers reporting pension income and total amount of pension income reported.

The preliminary 1983 Tax Year data reflected several tax law changes. The most important of these changes in terms of the number of taxpayers affected and overall dollar impact was the third of the four annual tax rate cuts that were scheduled in the Economic Recovery Tax Act of 1981. The tax rate reduction for 1983 was about 10 percent. Taxable income increased 5.3 percent to about \$1.6 trillion and a corresponding increase in taxes could have been anticipated without the rate cut. However, there was almost no change in tax liability.

Tax law changes were also responsible for the doubling of the two-earner married couple deduction claimed for Tax Year 1983. Deductions for medical and dental expenses and for nonbusiness casualty or theft losses decreased because of changes in tax law. The redefinition of the alternative minimum tax contributed to the 27.6-percent increase in that tax liability.

In many respects 1983 individual returns tax data were similar to data for previous years. The number of returns filed, which had increased slowly for several years, remained almost the same in 1982; and then resumed its slight upward movement for 1983. The proportion of nontaxable returns continued to decrease slowly. The number of returns claiming itemized deductions and IRA's as well as the total amounts claimed continued to rise in 1983. The total number of exemptions claimed rose in keeping with the growth in the number of returns filed (a 1 percent increase).

## DEFINITIONS AND TAX LAW CHANGES

In general, the definitions of the terms used here are the same as those shown in the final report, Statistics of Income--1982, Individual Income Tax Returns. Updated definitions including more comprehensive discussion of effects of the law changes referred to throughout this article, will appear in the Statistics of Income--1983, Individual Income Tax Returns, final report which will be available later this year.

Following is a partial list of 1983 tax law and administrative changes that are reflected in the preliminary data in this article. Changes are listed in the same order as the items appear on the Form 1040 and also as the topics are presented in this article.

- A working married couple that filed a joint return for Tax Year 1983 was entitled to the two-earner married couple deduction of 10 percent of the lower earning spouse's earned income up to \$30,000. For Tax Year 1982 the deduction was 5 percent of the respective income.
- The maximum exclusion from adjusted gross income of foreign earned income by U.S. citizens working abroad was increased to \$80,000 for Tax Year 1983 from \$75,000 for Tax Year 1982.
- Taxpayers could no longer take a separate deduction of up to \$150 for health insurance premiums paid. In addition, they could take an itemized deduction for medical and dental expenses (including health insurance premium) only in excess of 5 percent of adjusted gross income (instead of the former 3 percent).
- Nonbusiness casualty or theft losses could be claimed as an itemized deduction only to the extent that the amount of each separate loss was more than \$100 and the total amount of all such losses during the year was more than 10 percent of adjusted gross income.
- The 1983 tax table and tax rate schedules included tax rate reductions of about 10 percent for individuals, enacted by the Economic Recovery Tax Act of 1981.
- The use of the Form 1040A was expanded for Tax Year 1983, allowing taxpayers to claim the child and dependent care expense credit and the adjustment for payments to an IRA on this form.
- The allowable investment credit was reduced slightly under 1983 tax law. As before, 10 percent of the value of qualified investment property acquired and placed in service in the tax year was allowed as an investment credit. However, the amount of the credit claimed was limited by the amount of tax liability after certain other tax credits, and was further limited as follows: if tax liability exceeded \$25,000, a credit could be claimed for \$25,000 plus 85 percent of tax liability over \$25,000. This limit differed from

that of 1982 tax law, which allowed an investment credit of up to \$25,000 plus 90 percent of the tax liability in excess of this amount.

- The alternative minimum tax was revised and the minimum tax was abolished. The revised alternative minimum tax covered many of the tax preference items that had previously been covered by the minimum tax and raised the alternative minimum tax rate to a flat 20 percent of alternative minimum taxable income. For 1983 tax data, only prior tax year returns could reflect claims for the minimum tax [6].

**DATA SOURCES AND LIMITATIONS**

These preliminary statistics are based on a sample of individual income tax returns, Forms 1040, 1040A and 1040EZ, filed for Tax Year 1983. Returns in the sample were stratified based on the presence or absence of Schedule C, Profit (or Loss) from Business or Profession; Schedule F, Profit (or Loss) from Farms; the larger of total income or total loss, and the size of business plus farm receipts. For Tax Year 1983, returns were selected at rates ranging from 0.03 percent to 100 percent. There were 104,970 returns in the 1983 preliminary sample, estimating a total population of 96,293,634. The corresponding sample size and population for the preliminary 1982 data were 77,683 and 95,297,502, respectively. Sample size and population for the final 1982 data, referenced in this article, were 88,277 and 95,608,582 respectively.

Because the data presented in this article are estimates based only on a sample of the returns filed, they are subject to sampling errors. To use properly 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 following table presents approximate coefficients of variation (CV's) for frequency estimates. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For a number other than those shown, the corresponding CV's can be estimated by interpolation. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of sample estimates based on samples, are discussed in the Appendix.

<u>Number of Returns</u>	<u>Approximate Coefficient of Variation</u>
28,887,100	.01
7,221,800	.02
1,155,500	.05
288,900	.10
72,200	.20
32,100	.30
23,600	.35
11,600	.50

These preliminary estimates are subject to several types of nonsampling error. While the estimates are intended to represent the full year's taxpayer reporting, they are actually based on returns filed through late September 1984. Returns filed after that (which are sampled and included in the revised estimates for the year) tend to have slightly different characteristics than earlier returns. These characteristics include higher income, a larger proportion of investment income (such as capital gains), a higher average tax liability, and a larger proportion of certain other items such as the alternative minimum tax. Figure H provides a comparison of 1982 preliminary and final data.

The 1982 data in Figure H showed an increase of about \$1.2 billion between preliminary and final data for total tax liability. The change between final 1982 and preliminary 1983 data for the same item was less, a decrease of only

Figure H.--Comparison of 1982 Preliminary and Final Data

[Millions of dollars]

	1982 Preliminary data	1982 Final data	Difference 1982 Preliminary and Final data	Percent difference 1982 Preliminary and Final data
	(1)	(2)	(3)	(4)
AGI less deficit .....	\$1,847,801	\$1,852,135	\$4,334	0.23%
Salaries and wages .....	1,564,594	1,564,995	401	0.03
Total statutory adjustments .....	64,443	64,887	444	0.69
Total itemized deductions .....	284,693	284,506	-187	-0.07
Total credits .....	7,473	7,854	382	5.12
Additional tax for tax preferences .....	1,311	1,520	208	15.89
Total income tax .....	276,937	277,597	-661	0.24
Total tax liability.....	283,465	284,708	1,243	0.44

\$0.8 billion (see Figure A). It is evident that the slight apparent drop in total tax liability from 1982 to 1983 could be due to an understatement in the 1983 liability that will be corrected once the final figures are available. Because of the small difference and the nature of the preliminary data, the text of this article emphasizes the fact there was almost no change in total tax liability between the 2 years.

#### NOTES AND REFERENCES

- [1] Preliminary 1983 data are compared with final 1982 data throughout this article. Final 1982 data are derived from a sample of all returns filed during calendar year 1982, and preliminary 1983 data are derived from a sample of returns filed through late September, 1984.
- [2] The total tax liability is the sum of income tax after credits, additional tax for tax preferences, self-employment tax, Social Security tax on tips, tax from recomputing prior-year investment credit, taxes from individual retirement arrangements, and other taxes; reduced by the "earned income credit used to offset all other taxes." The earned income credit was available to low-income workers.
- [3] Holik, Dan, and Kozielic, John, "Taxpayers Age 65 or Over, 1977-1981," Statistics of Income Bulletin, Summer 1984.
- [4] Because the 1983 data are preliminary it is too early to tell if the slight decrease from 1982 shown in tax liability was real or merely reflected the different characteristics of early-filed returns (see Figure H and related text).
- [5] Since returns with tax preference items are, in general, filed later than other returns, preliminary tax preference data should be used with more caution than other data in this article. These data are more incomplete and subject, therefore, to larger estimation errors.
- [6] Returns included in the sample for 1983 Tax Year cover those received and processed through September 1984. A small number of these returns may be late returns for Tax Year 1982 or even earlier years. Those prior year returns included items relevant to the Tax Year for which they were filed, not in which they were filed. Therefore, data for Tax Year 1983 may include amounts of minimum tax (or other discontinued items) reported on returns filed in 1984.
- [7] Sailer, P., Hicks, C., Watson, D., and Trevors, D., "Results of Coverage and Processing Changes to the 1980 Individual Statistics of Income Program," Statistics of Income and Related Administrative Record Research: 1982 and 1982 Proceedings, American Statistical Association, Section on Survey Research Methods, pp. 452-458.





Individual Returns/1983

Table 1. — All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Table with 11 columns: Size of adjusted gross income, Royalty net income less loss (Number of returns, Amount), Farm net profit less loss (Number of returns, Amount), Partnership net profit less loss (Number of returns, Amount), Estate or trust net income less loss (Number of returns, Amount), Small Business Corporation net profit less loss (Number of returns, Amount). Rows include All returns, total, No adjusted gross income, and various income brackets from \$1 under \$1,000 to \$1,000,000 or more.

Table with 11 columns: Size of adjusted gross income, Unemployment Compensation (Total, In adjusted gross income), Statutory adjustments (Employee business expense, Payments to an individual retirement arrangement). Rows include All returns, total, No adjusted gross income, and various income brackets from \$1 under \$1,000 to \$1,000,000 or more.

Footnote(s) at end of table.



Individual Returns/1983

Table 1.— All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Main data table with columns for Size of adjusted gross income, Returns with itemized deductions, Taxable income, Income tax before credits, and Tax credits. Includes rows for 'All returns, total', 'No adjusted gross income', and various income brackets from \$1 under \$1,000 to \$1,000,000 or more.

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