

Internal Revenue Service

| | | | | |
|-------------|------------|-------------|------------|------------|
| 17,458,924 | 1,124,379 | 16,213,546 | 1,585,649 | 14,270,260 |
| 131,261,303 | 9,900,660 | 118,062,123 | 36,943,224 | 80,000,176 |
| 74,824,364 | 14,582,950 | 56,641,155 | 9,911,746 | 46,466,254 |
| 7,122,326 | 655,818 | 6,184,056 | 1,820,109 | 4,341,029 |
| 8,279,632 | 603,353 | 7,592,855 | 1,734,272 | 5,814,711 |
| 129,891,703 | 24,143,928 | 102,622,203 | 19,680,063 | 82,400,136 |
| 39,851,966 | 5,179,590 | 34,002,874 | 5,607,673 | 28,251,515 |

| | | |
|------------|---------------|------------|
| 432,320 | 1,606,551,781 | 57,989,543 |
| 4,259,140 | 14,926,629 | 175,889 |
| 906,663 | 2,761,111 | 47,221 |
| 8,423,114 | 20,372,655 | 604,707 |
| 2,282,937 | 16,076,012 | 705,598 |
| 66,285,468 | 179,715,041 | 3,566,015 |
| 7,765,468 | 29,440,437 | 1,405,500 |
| 9,663,283 | 29,299,094 | 378,574 |
| 1,948,833 | 10,202,519 | 20,564 |
| 1,585,649 | 14,270,260 | 8,107 |
| 36,943,224 | 80,000,176 | 964,934 |
| 9,911,746 | 46,466,254 | 3,155,922 |
| 1,820,109 | 4,341,029 | 185,922 |
| 1,734,272 | 5,814,711 | 185,136 |
| 19,680,063 | 82,400,136 | 32,747 |
| 5,607,673 | 28,251,515 | 1,879,155 |
| 2,656,746 | 12,333,530 | 408,771 |
| 3,106,197 | 12,650,055 | 161,275 |
| 3,285,175 | 16,383,604 | 1,484,995 |
| 3,373,608 | 22,211,867 | 150,423 |
| 1,278,878 | 4,248,091 | 305,776 |
| 8,847,187 | 37,266,856 | 169,311 |
| 13,311,609 | 47,715,564 | 112,598 |
| 8,889,841 | 52,127,749 | 528,378 |
| 6,684,641 | 49,103,004 | 243,624 |
| 1,721,668 | 6,876,816 | 1,388,240 |
| 5,999,022 | 30,902,109 | 275,915 |
| 1,126,834 | 2,624,052 | 1,042,439 |
| 1,916,546 | 8,900,001 | 51,192 |
| 6,256,039 | 9,279,131 | 103,159 |
| 1,871,637 | 6,432,668 | 87,070 |
| 14,712,728 | 73,752,255 | 79,896 |
| 1,801,649 | 5,235,672 | 1,609,125 |
| 36,540,727 | 134,356,183 | 27,653 |
| 8,684,062 | 39,323,108 | 1,143,565 |
| 707,331 | 2,272,331 | 318,756 |
| 10,330,930 | 62,314,295 | 20,282 |
| 4,257,011 | 12,048,707 | 427,017 |
| 4,379,128 | 16,019,389 | 5,647,913 |
| 15,041,366 | 70,797,849 | 207,549 |
| 1,356,882 | 6,507,650 | 2,775,417 |
| 3,942,183 | 25,246,952 | 7,442 |
| 1,331,186 | 2,654,234 | 439,600 |
| 6,054,796 | 33,350,510 | 31,646 |
| 31,945,128 | 112,353,278 | 911,315 |
| 2,875,240 | 8,426,021 | 20,702,545 |
| 766,290 | 2,553,679 | 601,852 |
| 11,022,591 | 38,638,536 | 27,657 |
| 10,967,692 | 35,266,519 | 1,341,656 |
| 1,137,839 | 4,273,177 | 1,073,518 |
| 6,299,959 | 28,481,964 | 111,654 |
| 1,413,201 | 1,704,024 | 333,532 |
| 332,768 | 1,864,125 | 234,763 |
| 304,348 | 3,010,438 | 4,278 |
| 2,391,059 | 1,747,090 | 1,205 |
| 118,512 | 48,552 | 207,332 |
| 2,213,400 | 621,808 | 2,053 |
| 59,147 | 452,953 | 598,502 |
| 59,147 | 100,973 | 7,641 |
| 2,304,266 | 961,118 | 59,140 |
| 72,379,610 | 1,439,259 | 11,158,589 |
| 73,733,156 | 1,745,480 | 12,502,451 |
| 65,990,832 | 1,796,227 | 12,708,171 |
| 61,779,556 | 1,971,614 | 15,004,486 |
| 74,179,370 | 2,110,992 | 17,002,504 |

DATA BOOK

2007

OCTOBER 1, 2006
to
SEPTEMBER 30, 2007



Department of the Treasury

Department of the Treasury

Internal Revenue Service

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Acting Commissioner

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The IRS Mission

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

Enforcement

EXAMINATIONS

Tables 9 through 12 provide information about examinations of most types of tax returns. Table 9 provides an overview of examinations of income tax returns, estate and gift tax returns, employment tax returns, excise tax returns, and certain other business tax returns. 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.

Table 13 provides information about examinations of tax-exempt organizations, such as charitable organizations and foundations, and employee retirement plans. 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 9 through 12).

Table 9. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2007

| Type and size of return | Returns examined | | | | |
|--|--|------------------|-----------------------|----------------|------------------|
| | Returns filed in Calendar Year 2006 [1] | Total | Percentage covered | Field [2] | Correspondence |
| | (1) | (2) | (3) | (4) | (5) |
| United States, total | 179,419,771 | 1,550,922 | 0.9 | 449,215 | 1,101,707 |
| Taxable returns: | | | | | |
| Individual income tax returns, total | 134,542,879 | [3] 1,384,563 | 1.0 | 311,339 | 1,073,224 |
| Returns with TPI under \$200,000 [4]: | | | | | |
| Nonbusiness returns without earned income tax credit: | | | | | |
| Selected nonbusiness returns [5] | 76,729,589 | 297,545 | 0.4 | 55,131 | 242,414 |
| With Schedule E or Form 2106 [6] | 14,158,305 | 165,137 | 1.2 | 40,498 | 124,639 |
| Business and nonbusiness returns with earned income tax credit by size of TGR [7,8]: | | | | | |
| Under \$25,000 | 21,613,857 | [9] 400,206 | 1.9 | 10,908 | 389,298 |
| \$25,000 or more | 1,404,507 | [9] 135,850 | 9.7 | 33,928 | 101,922 |
| Business returns without earned income tax credit: | | | | | |
| Nonfarm business returns by size of TGR [7]: | | | | | |
| Under \$25,000 | 10,356,000 | 134,329 | 1.3 | 53,092 | 81,237 |
| \$25,000 under \$100,000 | 3,076,877 | 62,876 | 2.0 | 31,363 | 31,513 |
| \$100,000 under \$200,000 | 912,280 | 56,327 | 6.2 | 28,286 | 28,041 |
| \$200,000 or more | 698,893 | 13,049 | 1.9 | 11,319 | 1,730 |
| Farm returns | 1,528,390 | 5,705 | 0.4 | 3,033 | 2,672 |
| Returns with TPI at least \$200,000 and under \$1,000,000: | | | | | |
| Nonbusiness returns | 2,482,382 | 48,944 | 2.0 | 13,882 | 35,062 |
| Business returns | 1,121,182 | 32,779 | 2.9 | 17,499 | 15,280 |
| Returns with TPI of \$1,000,000 or more | 339,138 | 31,382 | 9.3 | 12,259 | 19,123 |
| International returns [10] | 121,479 | 434 | 0.4 | 141 | 293 |
| Corporation income tax returns, except Form 1120S, total [11] | 2,256,485 | 30,004 | 1.3 | 27,972 | 2,032 |
| Returns other than Form 1120-F [12]: | | | | | |
| Small corporations [13] | 2,171,144 | 20,020 | 0.9 | 18,302 | 1,718 |
| No balance sheet returns | 402,915 | 2,186 | 0.5 | 1,719 | 467 |
| Balance sheet returns by size of total assets: | | | | | |
| Under \$250,000 | 1,183,402 | 9,038 | 0.8 | 8,131 | 907 |
| \$250,000 under \$1,000,000 | 372,953 | 4,836 | 1.3 | 4,671 | 165 |
| \$1,000,000 under \$5,000,000 | 181,442 | 3,032 | 1.7 | 2,896 | 136 |
| \$5,000,000 under \$10,000,000 | 30,432 | 928 | 3.0 | 885 | 43 |
| Large corporations [14] | 57,357 | 9,644 | 16.8 | 9,376 | 268 |
| Balance sheet returns by size of total assets: | | | | | |
| \$10,000,000 under \$50,000,000 | 29,869 | 4,473 | 15.0 | 4,398 | 75 |
| \$50,000,000 under \$100,000,000 | 7,057 | 801 | 11.4 | 766 | 35 |
| \$100,000,000 under \$250,000,000 | 7,847 | 946 | 12.1 | 904 | 42 |
| \$250,000,000 under \$500,000,000 | 4,438 | 634 | 14.3 | 580 | 54 |
| \$500,000,000 under \$1,000,000,000 | 3,163 | 584 | 18.5 | 573 | 11 |
| \$1,000,000,000 under \$5,000,000,000 | 3,644 | 1,152 | 31.6 | 1,116 | 36 |
| \$5,000,000,000 under \$20,000,000,000 | 965 | 607 | 62.9 | 596 | 11 |
| \$20,000,000,000 and above | 374 | 447 | [15] 119.5 | 443 | 4 |
| Form 1120-F returns [12] | 27,984 | 340 | 1.2 | 294 | 46 |
| Estate and trust income tax returns | 3,751,386 | 4,544 | 0.1 | 1,235 | 3,309 |
| Estate tax returns: | | | | | |
| Total | 59,978 | 4,616 | 7.7 | 4,616 | 0 |
| Size of gross estate: | | | | | |
| Under \$5,000,000 | 51,940 | 3,017 | 5.8 | 3,017 | 0 |
| \$5,000,000 or more | 8,038 | 1,599 | 19.9 | 1,599 | 0 |
| Gift tax returns | 264,315 | 1,490 | 0.6 | 1,490 | 0 |
| Employment tax returns | 30,803,939 | 56,738 | 0.2 | 40,748 | 15,990 |
| Excise tax returns | 896,462 | 36,018 | 4.0 | 34,520 | 1,498 |
| Other taxable returns [16] | [17] | 1,460 | [17] | 1,442 | 18 |
| Nontaxable returns: | | | | | |
| Partnership returns, Form 1065 | 2,934,597 | 12,195 | 0.4 | 8,871 | 3,324 |
| S corporation returns, Form 1120S [18] | 3,909,730 | 17,657 | 0.5 | 16,792 | 865 |
| Estate and trust returns, Form 1041 | [17] | 1,637 | [17] | 190 | 1,447 |
| Income, estate, and gift tax, and nontaxable returns, total | 147,719,370 | 1,456,706 | 1.0 | 372,505 | 1,084,201 |

Footnotes at end of table.

Table 9. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2007—Continued

| Type and size of return | Percentage of returns examined with no change | | Recommended additional tax (thousands of dollars) | | | Average recommended additional tax per return (dollars) | |
|--|---|----------------|---|-------------------|------------------|---|----------------|
| | Field [2] | Correspondence | Total | Field [2] | Correspondence | Field [2] | Correspondence |
| | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| United States, total | [17] | [17] | 44,370,539 | 34,810,837 | 9,559,702 | 77,493 | 8,677 |
| Taxable returns: | | | | | | | |
| Individual income tax returns, total | 12 | 16 | [19] 15,705,155 | 6,357,090 | 9,348,065 | 20,419 | 8,710 |
| Returns with TPI under \$200,000 [4]: | | | | | | | |
| Nonbusiness returns without earned income tax credit: | | | | | | | |
| Selected nonbusiness returns [5] | 17 | 21 | 1,184,446 | 524,884 | 659,562 | 9,521 | 2,721 |
| With Schedule E or Form 2106 [6] | 7 | 10 | 759,884 | 283,176 | 476,708 | 6,992 | 3,825 |
| Business and nonbusiness returns with earned income tax credit by size of TGR [7,8]: | | | | | | | |
| Under \$25,000 | 12 | 15 | 1,264,786 | 52,524 | 1,212,262 | 4,815 | 3,114 |
| \$25,000 or more | 9 | 8 | 501,977 | 215,749 | 286,228 | 6,359 | 2,808 |
| Business returns without earned income tax credit: | | | | | | | |
| Nonfarm business returns by size of TGR [7]: | | | | | | | |
| Under \$25,000 | 8 | 14 | 1,154,236 | 256,753 | 897,483 | 4,836 | 11,048 |
| \$25,000 under \$100,000 | 10 | 13 | 569,858 | 198,210 | 371,648 | 6,320 | 11,793 |
| \$100,000 under \$200,000 | 9 | 5 | 1,610,565 | 695,318 | 915,247 | 24,582 | 32,640 |
| \$200,000 or more | 18 | 42 | 192,777 | 180,638 | 12,139 | 15,959 | 7,017 |
| Farm returns | 18 | 42 | 41,207 | 27,923 | 13,284 | 9,206 | 4,972 |
| Returns with TPI at least \$200,000 and under \$1,000,000: | | | | | | | |
| Nonbusiness returns | 18 | 37 | 1,298,718 | 382,911 | 915,807 | 27,583 | 26,120 |
| Business returns | 20 | 33 | 875,821 | 365,373 | 510,448 | 20,880 | 33,406 |
| Returns with TPI of \$1,000,000 or more | 24 | 28 | 6,250,049 | 3,173,070 | 3,076,979 | 258,836 | 160,905 |
| International returns [10] | 28 | 15 | 831 | 561 | 270 | 3,979 | 922 |
| Corporation income tax returns, except Form 1120S, total [11] | 34 | 41 | 25,741,487 | 25,688,088 | 53,399 | 918,350 | 26,280 |
| Returns other than Form 1120-F [12]: | | | | | | | |
| Small corporations [13] | 38 | 37 | 693,890 | 690,773 | 3,117 | 37,743 | 1,814 |
| No balance sheet returns | 25 | 29 | 194,092 | 193,730 | 362 | 112,699 | 775 |
| Balance sheet returns by size of total assets: | | | | | | | |
| Under \$250,000 | 40 | 32 | 204,223 | 202,753 | 1,470 | 24,936 | 1,621 |
| \$250,000 under \$1,000,000 | 38 | 48 | 111,598 | 111,243 | 355 | 23,816 | 2,152 |
| \$1,000,000 under \$5,000,000 | 41 | 70 | 135,273 | 134,437 | 836 | 46,422 | 6,147 |
| \$5,000,000 under \$10,000,000 | 41 | 74 | 48,704 | 48,610 | 94 | 54,927 | 2,186 |
| Large corporations [14] | 29 | 58 | 24,942,449 | 24,892,167 | 50,282 | 2,654,881 | 187,619 |
| Balance sheet returns by size of total assets: | | | | | | | |
| \$10,000,000 under \$50,000,000 | 36 | 59 | 396,970 | 351,311 | 45,659 | 79,880 | 608,787 |
| \$50,000,000 under \$100,000,000 | 28 | 49 | 85,295 | 84,987 | 308 | 110,949 | 8,800 |
| \$100,000,000 under \$250,000,000 | 24 | 60 | 319,619 | 315,963 | 3,656 | 349,517 | 87,048 |
| \$250,000,000 under \$500,000,000 | 20 | 50 | 665,368 | 664,802 | 566 | 1,146,210 | 10,481 |
| \$500,000,000 under \$1,000,000,000 | 20 | 82 | 418,922 | 418,917 | 5 | 731,094 | 455 |
| \$1,000,000,000 under \$5,000,000,000 | 13 | 64 | 3,912,331 | 3,912,331 | 0 | 3,505,673 | 0 |
| \$5,000,000,000 under \$20,000,000,000 | 10 | 82 | 5,070,726 | 5,070,638 | 88 | 8,507,782 | 8,000 |
| \$20,000,000,000 and above | 7 | 25 | 14,073,218 | 14,073,218 | 0 | 31,767,986 | 0 |
| Form 1120-F returns [12] | 47 | 98 | 105,148 | 105,148 | 0 | 357,646 | 0 |
| Estate and trust income tax returns | 21 | 74 | 149,075 | 145,620 | 3,455 | 117,911 | 1,044 |
| Estate tax returns: | | | | | | | |
| Total | 14 | N/A | 1,147,801 | 1,147,801 | 0 | 248,657 | N/A |
| Size of gross estate: | | | | | | | |
| Under \$5,000,000 | 14 | N/A | 297,267 | 297,267 | 0 | 98,531 | N/A |
| \$5,000,000 or more | 14 | N/A | 850,534 | 850,534 | 0 | 531,916 | N/A |
| Gift tax returns | 21 | N/A | 230,833 | 230,833 | 0 | 154,921 | N/A |
| Employment tax returns | 13 | 5 | 907,852 | 753,995 | 153,857 | 18,504 | 9,622 |
| Excise tax returns | 9 | 68 | 235,841 | 234,915 | 926 | 6,805 | 618 |
| Other taxable returns [16] | 28 | 83 | 252,495 | 252,495 | 0 | 175,101 | 0 |
| Nontaxable returns: | | | | | | | |
| Partnership returns, Form 1065 | 44 | 73 | N/A | N/A | N/A | N/A | N/A |
| S corporation returns, Form 1120S [18] | 36 | 66 | N/A | N/A | N/A | N/A | N/A |
| Estate and trust returns, Form 1041 | 67 | 83 | N/A | N/A | N/A | N/A | N/A |
| Income, estate, and gift tax, and nontaxable returns, total | 16 | 17 | 42,974,351 | 33,569,432 | 9,404,919 | 90,118 | 8,675 |

Footnotes at end of table.

Table 9. Examination Coverage: Recommended and Average Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2007—Continued**Footnotes**

N/A—Not applicable.

[1] In general, examination activity is associated with returns filed in the previous calendar year. However, this relationship is only approximate.

[2] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners, in person or by correspondence.

[3] Includes 503,267 returns selected for examination on the basis of an earned income tax credit (EITC) claim. Excludes 5,607 returns associated with the earned income tax credit qualifying child certification test, which are tracked in IRS's examination database.

[4] In general, TPI (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 net losses. Examinations of individual income tax returns are shown in this table by: TPI of under \$200,000; TPI of at least \$200,000 and under \$1,000,000; and TPI of \$1,000,000 or more.

[5] Includes returns 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 returns with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses). Excludes returns with a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).

[7] TGR (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 to the cost of purchased items 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 both business and nonbusiness returns with an earned income tax credit claim. These returns are classified by size of total gross receipts (TGR). Returns are classified as business if they have a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming) and TGR is greater than total positive income (TPI). Returns are classified as nonbusiness returns if TGR is less than TPI. See footnotes 4 and 7.

[9] Includes returns with an earned income tax credit (EITC) claim. These returns were selected for examination on the basis of an EITC claim or on other selection criteria.

[10] Includes Forms 1040PR (self-employment tax form for Puerto Rico) and 1040-SS (self-employment tax form for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands).

[11] Includes Forms 1120 ("long form"); 1120-A ("short form"); 1120-F (foreign corporation, except foreign life insurance company); 1120-H (homeowner association); 1120-L (life insurance company); 1120M (mutual insurance company); 1120-PC (property and casualty insurance company); 1120-POL (certain political association); 1120-REIT (real estate investment trust); 1120-RIC (regulated investment company); and 1120-SF (settlement fund). Excludes certain other types of corporations, which are included in "other taxable returns" described in footnote 16.

[12] Form 1120-F is filed by a foreign corporation with U.S. income, other than a foreign life insurance company and foreign sales corporation.

[13] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.

[14] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.

[15] The percentage of returns examined may be greater than 100 percent of the returns filed in Calendar Year 2006 since examinations may be conducted on returns filed in prior calendar years.

[16] Includes Forms 1120S for an S corporation reporting a tax (see footnote 18); 1120-FSC (foreign sales corporation); 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); 990-C (farmers' cooperative association); and 8804 (partnership withholding).

[17] Not tabulated.

[18] Includes most Forms 1120S, 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.

[19] Includes \$1,494,377 (thousands) in recommended additional tax (including earned income tax credit) on returns selected for examination on the basis of an earned income tax credit (EITC) claim. Excludes \$12,223 (thousands) in denied EITC related to the qualifying child certification test. These EITC cases are tracked in IRS's examination database.

NOTES: Detail may not add to totals because of rounding. Excludes excise tax returns filed with the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.

Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2007

[Money amounts are in thousands of dollars.]

| Type and size of return | Taxable returns examined | | | Amount unagreed | | |
|--|--------------------------|---------------|----------------|-------------------|-------------------|----------------|
| | Total | Field [1] | Correspondence | Total | Field [1] | Correspondence |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| United States, total | 40,637 | 29,645 | 10,992 | 22,781,936 | 22,015,389 | 766,547 |
| Individual income tax returns, total | [2] 32,983 | 22,073 | 10,910 | [3] 2747,466 | 1,981,359 | 766,107 |
| Returns with TPI under \$200,000 [4]: | | | | | | |
| Nonbusiness returns without earned income tax credit: | | | | | | |
| Selected nonbusiness returns [5] | 4,901 | 2,613 | 2,288 | 88,063 | 70,751 | 17,312 |
| With Schedule E or Form 2106 [6] | 6,779 | 3,490 | 3,289 | 337,646 | 316,769 | 20,877 |
| Business and nonbusiness returns with earned income tax credit by size of TGR [7,8]: | | | | | | |
| Under \$25,000 | 2,270 | 471 | 1,799 | 18,417 | 11,684 | 6,733 |
| \$25,000 or more | 2,634 | 2,072 | 562 | 34,910 | 34,049 | 861 |
| Business returns without earned income tax credit: | | | | | | |
| Nonfarm business returns by size of TGR [7]: | | | | | | |
| Under \$25,000 | 4,529 | 3,674 | 855 | 78,418 | 52,371 | 26,047 |
| \$25,000 under \$100,000 | 2,161 | 1,793 | 368 | 43,073 | 36,551 | 6,522 |
| \$100,000 under \$200,000 | 2,504 | 2,148 | 356 | 165,667 | 154,503 | 11,164 |
| \$200,000 or more | 590 | 536 | 54 | 50,183 | 47,367 | 2,816 |
| Farm returns | 447 | d | d | 6,387 | d | d |
| Returns with TPI at least \$200,000 and under \$1,000,000: | | | | | | |
| Nonbusiness returns | 2,266 | 1,609 | 657 | 227,406 | 178,062 | 49,344 |
| Business returns | 2,071 | 1,850 | 221 | 158,824 | 147,372 | 11,452 |
| Returns with TPI of \$1,000,000 or more | 1,826 | 1,479 | 347 | 1,538,407 | 925,730 | 612,677 |
| International returns [9] | 5 | d | d | 65 | d | d |
| Corporation income tax returns, except Form 1120S, total [10] | 2,526 | 2,510 | 16 | 18,760,576 | 18,760,576 | [11] |
| Returns other than Form 1120-F [12]: | | | | | | |
| Small corporations [13] | 1,398 | 1,382 | 16 | 365,472 | 365,472 | [11] |
| No balance sheet returns | 177 | 177 | 0 | 157,676 | 157,676 | 0 |
| Balance sheet returns by size of total assets: | | | | | | |
| Under \$250,000 | 578 | 564 | 14 | 32,729 | 32,729 | [11] |
| \$250,000 under \$1,000,000 | 343 | d | d | 57,347 | d | d |
| \$1,000,000 under \$5,000,000 | 232 | 232 | 0 | 88,361 | 88,361 | 0 |
| \$5,000,000 under \$10,000,000 | 68 | d | d | 29,359 | d | d |
| Large corporations [14] | 1,108 | 1,108 | 0 | 18,308,946 | 18,308,946 | 0 |
| Balance sheet returns by size of total assets: | | | | | | |
| \$10,000,000 under \$50,000,000 | 270 | 270 | 0 | 143,707 | 143,707 | 0 |
| \$50,000,000 under \$100,000,000 | 61 | 61 | 0 | 26,769 | 26,769 | 0 |
| \$100,000,000 under \$250,000,000 | 79 | 79 | 0 | 196,580 | 196,580 | 0 |
| \$250,000,000 under \$500,000,000 | 47 | 47 | 0 | 208,930 | 208,930 | 0 |
| \$500,000,000 under \$1,000,000,000 | 63 | 63 | 0 | 276,443 | 276,443 | 0 |
| \$1,000,000,000 under \$5,000,000,000 | 209 | 209 | 0 | 3,036,980 | 3,036,980 | 0 |
| \$5,000,000,000 under \$20,000,000,000 | 182 | 182 | 0 | 3,836,978 | 3,836,978 | 0 |
| \$20,000,000,000 and above | 197 | 197 | 0 | 10,582,559 | 10,582,559 | 0 |
| Form 1120-F returns [12] | 20 | 20 | 0 | 86,158 | 86,158 | 0 |
| Estate and trust income tax returns | 229 | 204 | 25 | 121,756 | 121,756 | [11] |
| Estate tax returns: | | | | | | |
| Total | 277 | 277 | 0 | 500,834 | 500,834 | 0 |
| Size of gross estate: | | | | | | |
| Under \$5,000,000 | 179 | 179 | 0 | 119,263 | 119,263 | 0 |
| \$5,000,000 or more | 98 | 98 | 0 | 381,571 | 381,571 | 0 |
| Gift tax returns | 250 | 250 | 0 | 102,143 | 102,143 | 0 |
| Employment tax returns | 3,724 | 3,705 | 19 | 246,717 | 246,544 | 173 |
| Excise tax returns | 588 | 566 | 22 | 80,685 | 80,418 | 267 |
| Other taxable returns [15] | 60 | 60 | 0 | 221,759 | 221,759 | 0 |

Footnotes at end of table.

Table 10. Examination Coverage: Returns Examined with Unagreed Recommended Additional Tax After Examination, by Type and Size of Return, Fiscal Year 2007—Continued

[Money amounts are in thousands of dollars.]

Footnotes

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

- [1] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners, in person or by correspondence.
- [2] Excludes 10 returns associated with the earned income tax credit (EITC) qualifying child certification test, which is tracked in IRS's examination database.
- [3] Excludes \$22 (thousands) associated with the earned income tax credit (EITC) qualifying child certification test, which is tracked in IRS's examination database.
- [4] In general, TPI (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 net losses. Examinations of individual income tax returns are shown in this table by: TPI of under \$200,000; TPI of at least \$200,000 and under \$1,000,000; and TPI of \$1,000,000 or more.
- [5] Includes returns 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 returns with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses). Excludes returns with a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [7] TGR (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 to the cost of purchased items 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 both business and nonbusiness returns with an earned income tax credit claim. These returns are classified by size of total gross receipts (TGR). Returns are classified as business if they have a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming) and TGR is greater than total positive income (TPI). Returns are classified as nonbusiness returns if TGR is less than TPI. See footnotes 4 and 7.
- [9] Includes Forms 1040PR (self-employment tax form for Puerto Rico) and 1040-SS (self-employment tax form for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands).
- [10] Includes Forms 1120 ("long form"); 1120-A ("short form"); 1120-F (foreign corporation, except foreign life insurance company); 1120-H (homeowner association); 1120-L (life insurance company); 1120M (mutual insurance company); 1120-PC (property and casualty insurance company); 1120-POL (certain political association); 1120-REIT (real estate investment trust); 1120-RIC (regulated investment company); and 1120-SF (settlement fund). Excludes certain other types of corporations, which are included in "other taxable returns" described in footnote 15.
- [11] Less than \$500.
- [12] Form 1120-F is filed by a foreign corporation with U.S. income, other than a foreign life insurance company and foreign sales corporation.
- [13] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [14] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [15] Includes Forms 1120S for an S corporation reporting a tax; 1120-FSC (foreign sales corporation); 8288 (withholding tax returns for disposition by foreign persons of U.S. property interests); 990-C (farmers' cooperative association); and 8804 (partnership withholding).

NOTES: Detail may not add to totals because of rounding. Excludes excise tax returns filed with the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Examination Management Information Systems and Automation
SE:S:E:EPD:MISA

Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2007 [1]

[Money amounts are in thousands of dollars.]

| Type and size of return | Total | Taxable returns examined | | Amount protected | | |
|---|---------------|--------------------------|----------------|------------------|------------------|----------------|
| | | Field [2] | Correspondence | Total | Field [2] | Correspondence |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| United States, total | 89,656 | 39,645 | 50,011 | 5,116,490 | 5,003,931 | 112,559 |
| Individual income tax returns, total | [3] 61,706 | 11,696 | 50,010 | [4] 401,590 | 289,031 | 112,559 |
| Returns with TPI under \$200,000 [5]: | | | | | | |
| Nonbusiness returns without earned income tax credit: | | | | | | |
| Selected nonbusiness returns [6] | 3,589 | 1,339 | 2,250 | 18,744 | 12,532 | 6,212 |
| With Schedule E or Form 2106 [7] | 29,708 | 3,432 | 26,276 | 89,430 | 28,801 | 60,629 |
| Business and nonbusiness returns with earned income tax credit by size of TGR [8, 9]: | | | | | | |
| Under \$25,000 | 11,609 | 301 | 11,308 | 21,538 | 999 | 20,539 |
| \$25,000 or more | 2,273 | 395 | 1,878 | 5,674 | 2,320 | 3,354 |
| Business returns without earned income tax credit: | | | | | | |
| Nonfarm business returns by size of TGR [8]: | | | | | | |
| Under \$25,000 | 5,916 | 944 | 4,972 | 15,192 | 3,818 | 11,374 |
| \$25,000 under \$100,000 | 2,894 | 814 | 2,080 | 8,631 | 4,130 | 4,501 |
| \$100,000 under \$200,000 | 1,289 | 854 | 435 | 9,625 | 7,462 | 2,163 |
| \$200,000 or more | 346 | 195 | 151 | 1,448 | 1,006 | 442 |
| Farm returns | 273 | d | d | 850 | d | d |
| Returns with TPI at least \$200,000 and under \$1,000,000: | | | | | | |
| Nonbusiness returns | 1,467 | 1,244 | 223 | 24,347 | 23,094 | 1,253 |
| Business returns | 1,253 | 1,112 | 141 | 19,796 | 18,579 | 1,217 |
| Returns with TPI of \$1,000,000 or more | 1,010 | 952 | 58 | 186,155 | 185,833 | 322 |
| International returns [10] | 79 | d | d | 160 | d | d |
| Corporation income tax returns, except Form 1120S, total [11] | 1,548 | d | d | d | d | d |
| Returns other than Form 1120-F [12]: | | | | | | |
| Small corporations [13] | 372 | 372 | 0 | 362,099 | 362,099 | 0 |
| No balance sheet returns | 78 | 78 | 0 | 226,377 | 226,377 | 0 |
| Balance sheet returns by size of total assets: | | | | | | |
| Under \$250,000 | 99 | 99 | 0 | 102,740 | 102,740 | 0 |
| \$250,000 under \$1,000,000 | 45 | 45 | 0 | 439 | 439 | 0 |
| \$1,000,000 under \$5,000,000 | 101 | 101 | 0 | 30,481 | 30,481 | 0 |
| \$5,000,000 under \$10,000,000 | 49 | 49 | 0 | 2,062 | 2,062 | 0 |
| Large corporations [14] | 1,135 | d | d | d | d | d |
| Balance sheet returns by size of total assets: | | | | | | |
| \$10,000,000 under \$50,000,000 | 143 | 143 | 0 | 12,067 | 12,067 | 0 |
| \$50,000,000 under \$100,000,000 | 59 | d | d | d | d | d |
| \$100,000,000 under \$250,000,000 | 111 | 111 | 0 | 44,971 | 44,971 | 0 |
| \$250,000,000 under \$500,000,000 | 99 | 99 | 0 | 173,466 | 173,466 | 0 |
| \$500,000,000 under \$1,000,000,000 | 105 | d | d | d | d | d |
| \$1,000,000,000 under \$5,000,000,000 | 262 | 262 | 0 | 562,621 | 562,621 | 0 |
| \$5,000,000,000 under \$20,000,000,000 | 192 | 192 | 0 | 912,720 | 912,720 | 0 |
| \$20,000,000,000 and above | 164 | 164 | 0 | 2,072,722 | 2,072,722 | 0 |
| Form 1120-F returns [12] | 41 | d | d | d | d | d |
| Estate and trust income tax returns | 120 | 120 | 0 | 17,135 | 17,135 | 0 |
| Estate tax returns: | | | | | | |
| Total | 267 | 267 | 0 | 97,187 | 97,187 | 0 |
| Size of gross estate: | | | | | | |
| Under \$5,000,000 | 209 | 209 | 0 | 22,094 | 22,094 | 0 |
| \$5,000,000 or more | 58 | 58 | 0 | 75,093 | 75,093 | 0 |
| Gift tax returns | 25 | d | d | d | d | d |
| Employment tax returns | 232 | 232 | 0 | 119,056 | 119,056 | 0 |
| Excise tax returns | 25,032 | 25,032 | 0 | 148,828 | 148,828 | 0 |
| Other taxable returns [15] | 726 | 726 | 0 | 43,916 | 43,916 | 0 |

Footnotes at end of table.

Table 11. Examination Coverage: Returns Examined Involving Protection of Revenue Base, by Type and Size of Return, Fiscal Year 2007 [1]—Continued

Footnotes

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

[1] Protection of the revenue base comprises any action taken by the Internal Revenue Service 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] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners, in person or by correspondence.

[3] Excludes 6 returns associated with the earned income tax credit (EITC) qualifying child certification test, which is tracked in IRS's examination database.

[4] Excludes \$8 (thousands) associated with the earned income tax credit (EITC) qualifying child certification test, which is tracked in IRS's examination database.

[5] In general, TPI (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 net losses. Examinations of individual income tax returns are shown in this table by: TPI of under \$200,000; TPI of at least \$200,000 and under \$1,000,000; and TPI of \$1,000,000 or more.

[6] Includes returns 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).

[7] Includes returns with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses). Excludes returns with a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).

[8] TGR (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 to the cost of purchased items 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.

[9] Includes both business and nonbusiness returns with an earned income tax credit claim. These returns are classified by size of total gross receipts (TGR). Returns are classified as business if they have a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming) and TGR is greater than total positive income (TPI). Returns are classified as nonbusiness returns if TGR is less than TPI. See footnotes 4 and 7.

[10] Includes Forms 1040PR (self-employment tax form for Puerto Rico) and 1040-SS (self-employment tax form for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands).

[11] Includes Forms 1120 ("long form"); 1120-A ("short form"); 1120-F (foreign corporation, except foreign life insurance company); 1120-H (homeowner association); 1120-L (life insurance company); 1120M (mutual insurance company); 1120-PC (property and casualty insurance company); 1120-POL (certain political association); 1120-REIT (real estate investment trust); 1120-RIC (regulated investment company); and 1120-SF (settlement fund). Excludes certain other types of corporations, which are included in "other taxable returns" described in footnote 15.

[12] Form 1120-F is filed by a foreign corporation with U.S. income, other than a foreign life insurance company and foreign sales corporation.

[13] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.

[14] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.

[15] Includes Forms 1120S for an S corporation reporting a tax; 1120-FSC (foreign sales corporations); 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); 990-C (farmers' cooperative association); and 8804 (partnership withholding).

NOTES: Detail may not add to totals because of rounding. Excludes excise tax returns filed with the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Examination Management Information Systems and Automation
SE:S:E:EPD:MISA

Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2007

[Money amounts are in thousands of dollars.]

| Type and size of return | Taxable returns examined | | | Recommended refunds | | |
|---|--------------------------|---------------|----------------|---------------------|------------------|----------------|
| | Total | Field [1] | Correspondence | Total | Field [1] | Correspondence |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| United States, total | 77,989 | 47,620 | 30,369 | 7,833,716 | 7,701,369 | 132,347 |
| Individual income tax returns, total | [2] 49,225 | 19,220 | 30,005 | [3] 711,851 | 589,565 | 122,286 |
| Returns with TPI under \$200,000 [4]: | | | | | | |
| Nonbusiness returns without earned income tax credit: | | | | | | |
| Selected nonbusiness returns [5] | 4,143 | 2,219 | 1,924 | 44,554 | 38,375 | 6,179 |
| With Schedule E or Form 2106 [6] | 15,904 | 3,382 | 12,522 | 66,417 | 35,393 | 31,024 |
| Business and nonbusiness returns with earned income tax credit by size of TGR [7, 8]: | | | | | | |
| Under \$25,000 | 4,420 | 397 | 4,023 | 7,924 | 1,536 | 6,388 |
| \$25,000 or more | 2,167 | 1,401 | 766 | 5,968 | 4,805 | 1,163 |
| Business returns without earned income tax credit: | | | | | | |
| Nonfarm business returns by size of TGR [7]: | | | | | | |
| Under \$25,000 | 6,077 | 2,168 | 3,909 | 21,096 | 10,937 | 10,159 |
| \$25,000 under \$100,000 | 2,943 | 1,552 | 1,391 | 17,270 | 13,171 | 4,099 |
| \$100,000 under \$200,000 | 2,648 | 1,739 | 909 | 19,532 | 17,449 | 2,083 |
| \$200,000 or more | 898 | 804 | 94 | 5,465 | 5,156 | 309 |
| Farm returns | 387 | 247 | 140 | 1,786 | 1,482 | 304 |
| Returns with TPI at least \$200,000 and under \$1,000,000: | | | | | | |
| Nonbusiness returns | 3,606 | 1,718 | 1,888 | 53,813 | 41,811 | 12,002 |
| Business returns | 2,567 | 1,837 | 730 | 46,782 | 41,467 | 5,315 |
| Returns with TPI of \$1,000,000 or more | 3,448 | 1,751 | 1,697 | 421,216 | 377,974 | 43,242 |
| International returns [9] | 17 | 5 | 12 | 28 | 9 | 19 |
| Corporation income tax returns, except Form 1120S, total [10] | 2,486 | 2,436 | 50 | 5,743,689 | 5,738,699 | 4,990 |
| Returns other than Form 1120-F [11]: | | | | | | |
| Small corporations [12] | 924 | 898 | 26 | 187,664 | 185,832 | 1,832 |
| No balance sheet returns | 126 | d | d | 98,390 | d | d |
| Balance sheet returns by size of total assets: | | | | | | |
| Under \$250,000 | 324 | 309 | 15 | 53,275 | 52,601 | 674 |
| \$250,000 under \$1,000,000 | 215 | d | d | 4,959 | d | d |
| \$1,000,000 under \$5,000,000 | 190 | 186 | 4 | 5,468 | 5,346 | 122 |
| \$5,000,000 under \$10,000,000 | 69 | 69 | 0 | 25,572 | 25,572 | 0 |
| Large corporations [13] | 1,508 | 1,484 | 24 | 5,268,384 | 5,265,226 | 3,158 |
| Balance sheet returns by size of total assets: | | | | | | |
| \$10,000,000 under \$50,000,000 | 324 | 317 | 7 | 44,794 | 43,753 | 1,041 |
| \$50,000,000 under \$100,000,000 | 111 | 107 | 4 | 64,512 | 64,501 | 11 |
| \$100,000,000 under \$250,000,000 | 181 | d | d | 113,448 | d | d |
| \$250,000,000 under \$500,000,000 | 144 | 139 | 5 | 223,121 | 222,321 | 800 |
| \$500,000,000 under \$1,000,000,000 | 143 | 143 | 0 | 421,283 | 421,283 | 0 |
| \$1,000,000,000 under \$5,000,000,000 | 328 | 323 | 5 | 1,058,927 | 1,057,732 | 1,195 |
| \$5,000,000,000 under \$20,000,000,000 | 148 | 148 | 0 | 938,800 | 938,800 | 0 |
| \$20,000,000,000 and above | 129 | d | d | 2,403,499 | d | d |
| Form 1120-F returns [11] | 54 | 54 | 0 | 287,641 | 287,641 | 0 |
| Estate and trust income tax returns | 447 | 146 | 301 | 52,765 | 49,620 | 3,145 |
| Estate tax returns: | | | | | | |
| Total | 765 | 765 | 0 | 113,368 | 113,368 | 0 |
| Size of gross estate: | | | | | | |
| Under \$5,000,000 | 497 | 497 | 0 | 47,389 | 47,389 | 0 |
| \$5,000,000 or more | 268 | 268 | 0 | 65,979 | 65,979 | 0 |
| Gift tax returns | 29 | d | d | 3,904 | d | d |
| Employment tax returns | 476 | 473 | 3 | 28,681 | 28,675 | 6 |
| Excise tax returns | 24,453 | 24,445 | 8 | 1,123,620 | 1,123,617 | 3 |
| Other taxable returns [14] | 108 | d | d | 55,838 | d | d |

Footnotes at end of table.

Table 12. Examination Coverage: Returns Examined Resulting in Refunds, by Type and Size of Return, Fiscal Year 2007—Continued**Footnotes**

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

- [1] Field examinations are generally performed by revenue agents, tax compliance officers, tax examiners, and revenue officer examiners, in person or by correspondence.
- [2] Excludes 9 returns associated with the earned income tax credit (EITC) qualifying child certification test, which is tracked in IRS's examination database.
- [3] Excludes \$10 (thousands) associated with the earned income tax credit (EITC) qualifying child certification test, which is tracked in IRS's examination database.
- [4] In general, TPI (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 net losses. Examinations of individual income tax returns are shown in this table by: TPI of under \$200,000; TPI of at least \$200,000 and under \$1,000,000; and TPI of \$1,000,000 or more.
- [5] Includes returns 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 returns with a Schedule E (supplemental income and loss) or Form 2106 (employee business expenses). Excludes returns with a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming).
- [7] TGR (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 to the cost of purchased items 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 both business and nonbusiness returns with an earned income tax credit claim. These returns are classified by size of total gross receipts (TGR). Returns are classified as business if they have a Schedule C (nonfarm sole proprietorship) or Schedule F (profit or loss from farming) and TGR is greater than total positive income (TPI). Returns are classified as nonbusiness returns if TGR is less than TPI. See footnotes 4 and 7.
- [9] Includes Forms 1040PR (self-employment tax form for Puerto Rico) and 1040-SS (self-employment tax form for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands).
- [10] Includes Forms 1120 ("long form"); 1120-A ("short form"); 1120-F (foreign corporation, except foreign life insurance company); 1120-H (homeowner association); 1120-L (life insurance company); 1120M (mutual insurance company); 1120-PC (property and casualty insurance company); 1120-POL (certain political association); 1120-REIT (real estate investment trust); 1120-RIC (regulated investment company); and 1120-SF (settlement fund). Excludes certain other types of corporations, which are included in "other taxable returns" described in footnote 14.
- [11] Form 1120-F is filed by a foreign corporation with U.S. income, other than a foreign life insurance company and foreign sales corporation.
- [12] Includes returns with assets of less than \$10 million examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [13] Includes returns with assets of \$10 million or more examined by either the Small Business/Self-Employed Operating Division or the Large and Mid-Size Business Operating Division.
- [14] Includes Forms 1120S for an S corporation reporting a tax; 1120-FSC (foreign sales corporation); 8288 (withholding tax return for disposition by foreign persons of U.S. property interests); 990-C (farmers' cooperative association); and 8804 (partnership withholding).

NOTES: Detail may not add to totals because of rounding. Excludes excise tax returns filed with the Customs Service and the Alcohol and Tobacco Tax and Trade Bureau, and returns of tax-exempt organizations, Government entities, and employee plans.

SOURCE: Small Business/Self-Employed, Examination, Examination Planning and Delivery, Examination Management Information Systems and Automation
SE:S:E:EPD:MISA

Table 13. Returns of Tax-Exempt Organizations, Employee Plans, and Government Entities Examined, by Type of Return, Fiscal Year 2007

| Type of return | Number of returns |
|--|-------------------|
| Total number of returns examined in Fiscal Year 2007 | 18,682 |
| Number of tax-exempt organization returns processed in Calendar Year 2006 [1] | 867,696 |
| Tax-exempt organizations and related taxable returns examined, total | 7,580 |
| Tax-exempt organization returns, total | 3,850 |
| Forms 990 and 990-EZ | 3,448 |
| Forms 990-PF, 5227, 1041-A, and 1120 [2] | 386 |
| Form 1120-POL | 16 |
| Related taxable returns, total | 3,730 |
| Employment tax returns [3] | 1,787 |
| Form 990-T [4] | 1,026 |
| Form 4720 [5] | 530 |
| Forms 1040, 1065, and 1120 adjusted [6] | 121 |
| Forms 11-C and 730 [7] | 266 |
| Number of employee plan returns processed in Calendar Year 2006 [8] | 1,055,061 |
| Employee plans and related taxable returns examined, total [9] | 8,423 |
| Employee plan returns, total | 6,823 |
| Form 5500 [10] | 5,768 |
| Defined benefit | 486 |
| Defined contribution | 5,282 |
| Form 5500-EZ | 1,055 |
| Defined benefit | 199 |
| Defined contribution | 856 |
| Related taxable returns, total | 1,172 |
| Form 5330 [11] | 963 |
| Form 990-T [4] | 15 |
| Forms 1040, 1065, and 1120 adjusted [6] | 194 |
| Government entity returns examined, total | 2,679 |
| Tax-exempt bond returns [12]: | 476 |
| Government entity returns [13]: | |
| Employment tax returns [3] | 2,049 |
| Forms 1040, 1065, and 1120 adjusted [6] | 33 |
| Forms 11-C and 730 [7] | 121 |

[1] Includes returns of tax-exempt organizations (Forms 990 and the 990-EZ "short" form), other than farmers' cooperatives (Form 990-C); private foundations (Form 990-PF); split-interest trusts (Form 5227); trust accumulations of certain charitable amounts (Form 1041-A filed by a tax-exempt organization); and Form 1120-POL filed by political organizations and certain tax-exempt organizations to report political organization taxable income and tax.

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

[3] Includes employer's unemployment tax (Form 940); employer returns for income and Social Security tax withheld and advance earned income credit payments (Form 941); agricultural employee tax (Form 943); employer tax return (Form 944); other income tax withholding (Form 945); and foreign employee tax (Form 1042).

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

[5] Form 4720 reports the excise tax on exempt organizations and related individuals.

[6] Related individual (Form 1040 series), partnership (Form 1065), or corporation (Form 1120 series) adjusted as a result of examination of a tax-exempt organization, employee plan, or Government entity.

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

[8] Includes both Forms 5500 and 5500-EZ returns, but excludes welfare benefit plans and fringe benefit plans, which are not subject to examination by IRS.

[9] Includes 428 examinations of plans that were not required to file a return and are, therefore, not categorized by form type.

[10] Includes examinations of Forms 5500C/R filed prior to November 1999.

[11] Form 5330 reports initial excise taxes related to employee plans.

[12] Includes tax-exempt private activity bond issues (Form 8038); Government-purpose tax-exempt bond issues (Form 8038-G); small tax-exempt bond issues (Form 8038-GC); arbitrage rebates (Form 8038-T); and carryover election of unused private activity bond volume cap (Form 8328).

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

NOTES: In general, examination activity for a fiscal year may be associated with returns filed in the previous calendar year. However, this relationship is only approximate. Counts of returns processed exclude related taxable returns.

SOURCES: Tax Exempt and Government Entities, Exempt Organizations SE:T:EO; Employee Plans SE:T:EP; and Government Entities SE:T:GE