

9-Oct-19

IRS Data Book Table 9b

Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income

Fiscal Year 2018

Size of adjusted gross income [1]	Returns filed in Calendar Year 2017 (percent of total) [2]	Examination coverage in Fiscal Year 2018 (percent) [3]
All returns [4]	100.00	0.59
No adjusted gross income [5]	1.68	2.04
\$1 under \$25,000	35.59	0.69
\$25,000 under \$50,000	23.65	0.48
\$50,000 under \$75,000	13.44	0.54
\$75,000 under \$100,000	8.66	0.45
\$100,000 under \$200,000	12.41	0.44
\$200,000 under \$500,000	3.72	0.53
\$500,000 under \$1,000,000	0.58	1.10
\$1,000,000 under \$5,000,000	0.25	2.21
\$5,000,000 under \$10,000,000	0.02	4.21
\$10,000,000 or more	0.01	6.66

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

[2] Calendar Year (CY) 2017 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year. The total number of individual income tax returns filed in CY 2017 was 150,043,227. See table 9a for additional details.

[3] Represents returns examined in Fiscal Year 2018 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2017 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined more than 44,700 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return (ASFR) Program. Under the ASFR Program, the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify tax return delinquencies, constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns. These nonfiler cases are excluded from the examination data in this table. See Table 14 for information on the ASFR Program.

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

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

SOURCE: Research, Applied Analytics, and Statistics.

Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income

Fiscal Year 2017

Size of adjusted gross income [1]	Returns filed in Calendar Year 2016 (percent of total) [2]	Examination coverage in Fiscal Year 2017 (percent) [3]
All returns [4]	100.00	0.62
No adjusted gross income [5]	1.69	2.55
\$1 under \$25,000	36.47	0.71
\$25,000 under \$50,000	23.33	0.49
\$50,000 under \$75,000	13.26	0.48
\$75,000 under \$100,000	8.59	0.45
\$100,000 under \$200,000	12.19	0.47
\$200,000 under \$500,000	3.60	0.70
\$500,000 under \$1,000,000	0.58	1.56
\$1,000,000 under \$5,000,000	0.26	3.52
\$5,000,000 under \$10,000,000	0.02	7.95
\$10,000,000 or more	0.01	14.52

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

[2] Calendar Year (CY) 2016 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year. The total number of individual income tax returns filed in CY 2016 was 149,919,416. See table 9a for additional details.

[3] Represents returns examined in Fiscal Year 2017 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2016 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined more than 62,800 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return (ASFR) Program. Under the ASFR Program, the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify tax return delinquencies, constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns. These nonfiler cases are excluded from the examination data in this table. See Table 14 for information on the ASFR Program.

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

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

SOURCE: Research, Applied Analytics, and Statistics.

Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income

Fiscal Year 2016

Size of adjusted gross income [1]	Returns filed in Calendar Year 2015 (percent of total) [2]	Examination coverage in Fiscal Year 2016 (percent) [3]
All returns [4]	100.00	0.70
No adjusted gross income [5]	1.70	3.25
\$1 under \$25,000	37.45	0.80
\$25,000 under \$50,000	23.21	0.49
\$50,000 under \$75,000	13.20	0.41
\$75,000 under \$100,000	8.52	0.52
\$100,000 under \$200,000	11.72	0.62
\$200,000 under \$500,000	3.38	1.01
\$500,000 under \$1,000,000	0.54	2.06
\$1,000,000 under \$5,000,000	0.25	4.60
\$5,000,000 under \$10,000,000	0.02	10.46
\$10,000,000 or more	0.01	18.79

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

[2] Calendar Year (CY) 2015 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year. The total number of individual income tax returns filed in CY 2015 was 147,967,324. See Table 9a for additional details.

[3] Represents the number of returns examined in Fiscal Year 2016 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2015 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined just over 84,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return (ASFR) Program. Under the ASFR Program, the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify tax return delinquencies, constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns. These nonfiler cases are excluded from the examination data in this table. See Table 14 for information on the ASFR Program.

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

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

SOURCE: Research, Applied Analytics, and Statistics, Office of Research.

Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income

Fiscal Year 2015

Size of adjusted gross income [1]	Returns filed in Calendar Year 2014 (percent of total) [2]	Examination coverage in Fiscal Year 2015 (percent) [3]
All returns [4]	100.00	0.84
No adjusted gross income [5]	1.76	3.78
\$1 under \$25,000	38.51	1.01
\$25,000 under \$50,000	23.23	0.50
\$50,000 under \$75,000	13.13	0.47
\$75,000 under \$100,000	8.42	0.49
\$100,000 under \$200,000	11.15	0.64
\$200,000 under \$500,000	3.08	1.54
\$500,000 under \$1,000,000	0.48	3.81
\$1,000,000 under \$5,000,000	0.21	8.42
\$5,000,000 under \$10,000,000	0.01	19.44
\$10,000,000 or more	0.01	34.69

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

[2] Calendar Year (CY) 2014 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year. The total number of individual income tax returns filed in CY 2014 was 146,861,217. See table 9a for additional details.

[3] Represents the number of returns examined in Fiscal Year 2015 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2014 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined more than 196,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return (ASFR) Program. Under the ASFR Program, the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify tax return delinquencies, constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns. These nonfiler cases are excluded from the examination data in this table. See Table 14 for information on the ASFR Program.

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

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

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

Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income

Fiscal Year 2014

Size of adjusted gross income [1]	Returns filed in Calendar Year 2013 (percent of total) [2]	Examination coverage in Fiscal Year 2014 (percent) [3]
All returns [4]	100.00	0.86
No adjusted gross income [5]	1.83	5.26
\$1 under \$25,000	39.08	0.93
\$25,000 under \$50,000	23.32	0.54
\$50,000 under \$75,000	13.12	0.53
\$75,000 under \$100,000	8.33	0.52
\$100,000 under \$200,000	10.70	0.65
\$200,000 under \$500,000	2.87	1.75
\$500,000 under \$1,000,000	0.48	3.62
\$1,000,000 under \$5,000,000	0.24	6.21
\$5,000,000 under \$10,000,000	0.02	10.53
\$10,000,000 or more	0.01	16.22

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

[2] Calendar Year 2013 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.

[3] Represents the number of returns examined in Fiscal Year 2014 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2013 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined more than 152,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return (ASFR) Program. Under the ASFR Program, the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify tax return delinquencies, constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns. These nonfiler cases are excluded from the examination data in this table. See Table 14 for information on the ASFR Program.

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

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

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

Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income

Fiscal Year 2013

Size of adjusted gross income [1]	Returns filed in Calendar Year 2012 (percent of total) [2]	Examination coverage in Fiscal Year 2013 (percent) [3]
All returns [4]	100.00	0.96
No adjusted gross income [5]	2.08	6.04
\$1 under \$25,000	39.91	1.00
\$25,000 under \$50,000	23.55	0.62
\$50,000 under \$75,000	13.02	0.60
\$75,000 under \$100,000	8.12	0.58
\$100,000 under \$200,000	10.09	0.77
\$200,000 under \$500,000	2.60	2.06
\$500,000 under \$1,000,000	0.41	3.79
\$1,000,000 under \$5,000,000	0.19	9.02
\$5,000,000 under \$10,000,000	0.01	15.98
\$10,000,000 or more	0.01	24.16

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

[2] Calendar Year 2012 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.

[3] Represents the number of returns examined in Fiscal Year 2013 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2012 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined more than 135,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return (ASFR) Program. Under the Automated Substitute for Return Program (ASFR), the IRS uses information returns from third parties (such as Forms W-2 and 1099) to identify tax return delinquencies, constructs tax returns for certain nonfilers based on that third-party information, and assesses tax, interest, and penalties based on the substitute returns. These nonfiler cases are excluded from the examination data in this table.

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

NOTES: Detail may not add to totals because of rounding. This table shows examination coverage of individual income tax returns classified by size of adjusted gross income, while Tables 9a and 10–12 report examination coverage by size of total positive income. Total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and therefore excludes losses.

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

Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income

Fiscal Year 2012

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

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

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

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

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

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

NOTES: Detail may not add to totals because of rounding. This table shows examination coverage of individual income tax returns classified by size of adjusted gross income, while Tables 9a and 10–12 report examination coverage by size of total positive income. Total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and therefore excludes losses.

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

Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income

Fiscal Year 2011

Size of adjusted gross income [1]	Returns filed in Calendar Year 2010 (percent of total) [2]	Examination coverage in Fiscal Year 2011 (percent) [3]
All returns [4]	100.00	1.11
No adjusted gross income [5]	2.16	3.42
\$1 under \$25,000	40.23	1.22
\$25,000 under \$50,000	23.95	0.73
\$50,000 under \$75,000	13.26	0.83
\$75,000 under \$100,000	8.07	0.82
\$100,000 under \$200,000	9.56	1.00
\$200,000 under \$500,000	2.26	2.66
\$500,000 under \$1,000,000	0.35	5.38
\$1,000,000 under \$5,000,000	0.15	11.80
\$5,000,000 under \$10,000,000	0.01	20.75
\$10,000,000 or more	0.01	29.93

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

[2] Calendar Year 2010 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.

[3] Represents the number of returns examined in Fiscal Year 2011 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2010 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined more than 134,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return Program (ASFR). In the ASFR Program, the IRS uses information returns (such as Forms W-2 and 1099) to identify persons who failed to file a return and constructs tax returns for certain nonfilers based on that third-party information. These nonfiler cases are excluded from the examination data in this table.

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

NOTES: Detail may not add to totals because of rounding. This table shows examination coverage of individual income tax returns classified by size of adjusted gross income, while Tables 9a and 10–12 report examination coverage by size of total positive income. Total positive income is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return and therefore excludes losses.

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

Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income

Fiscal Year 2010

Size of adjusted gross income [1]	Returns filed in Calendar Year 2009 (percent of total) [2]	Examination coverage in Fiscal Year 2010 (percent) [3]
All returns [4]	100.00	1.11
No adjusted gross income [5]	2.11	3.19
\$1 under \$25,000	39.62	1.18
\$25,000 under \$50,000	23.96	0.73
\$50,000 under \$75,000	13.41	0.78
\$75,000 under \$100,000	8.21	0.64
\$100,000 under \$200,000	9.64	0.71
\$200,000 under \$500,000	2.41	1.92
\$500,000 under \$1,000,000	0.41	3.37
\$1,000,000 under \$5,000,000	0.20	6.67
\$5,000,000 under \$10,000,000	0.01	11.55
\$10,000,000 or more	0.01	18.38

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

[2] Calendar Year 2009 data are presented because, in general, examination activity is associated with returns filed in the previous calendar year.

[3] Represents the number of returns examined in Fiscal Year 2010 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2009 for that AGI class.

[4] In addition to examinations of returns filed, the IRS examined more than 134,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return Program (ASFR). In the ASFR Program, the IRS uses information returns (such as Forms W-2 and 1099) to identify persons who failed to file a return and constructs tax returns for certain nonfilers based on that third-party information. These nonfiler cases are excluded from the examination data in this table.

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

NOTE: In the 2009 Data Book, both “All returns” and “All returns with a filing requirement” were reported in Table 9b. “All returns” included both returns filed by individuals with no reason to file other than to claim an Economic Stimulus Payment, as well as returns filed by individuals with income at or above the filing threshold. The column in the 2009 publication labeled “All returns with a filing requirement” excluded the stimulus-only returns. Economic Stimulus Payments, were special payments to taxpayers associated with the Economic Stimulus Act of 2008 and were claimed primarily in 2008 and 2009. In this 2010 table, “All returns” represents primarily those returns filed because their income is subject to a filing requirement as most taxpayers were not eligible to claim an Economic Stimulus Payment on returns processed during Fiscal Year 2010.

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

Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income

Fiscal Year 2009

Size of adjusted gross income [1]	Returns filed in Calendar Year 2008 [1]		Examination coverage in Fiscal Year 2009 (percent) [4]
	All returns (percent)	All returns with filing requirement (percent) [3]	
All returns [5]	100.00	100.00	1.00
No adjusted gross income [6]	6.21	1.16	4.04
\$1 under \$25,000	39.27	38.38	0.97
\$25,000 under \$50,000	22.60	25.06	0.70
\$50,000 under \$75,000	12.59	13.96	0.68
\$75,000 under \$100,000	7.63	8.46	0.57
\$100,000 under \$200,000	8.74	9.69	0.67
\$200,000 under \$500,000	2.29	2.54	1.86
\$500,000 under \$1,000,000	0.42	0.47	2.77
\$1,000,000 under \$5,000,000	0.22	0.25	5.35
\$5,000,000 under \$10,000,000	0.02	0.02	7.52
\$10,000,000 or more	0.01	0.01	10.60

[1] In general, examination activity is associated with returns filed in the previous calendar year.

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

[3] Excludes returns filed by individuals only to receive an economic stimulus payment and who had no other reason to file. These economic stimulus payments were associated with the Economic Stimulus Act of 2008.

[4] Represents the number of returns examined in Fiscal Year 2009 for each adjusted gross income (AGI) class, as a percentage of all returns with a filing requirement in Calendar Year 2008 for that AGI class. See footnote 3.

[5] In addition to examinations of returns filed, IRS examined more than 206,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return Program

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

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

Examination Coverage: Individual Income Tax Returns Examined, by Size of Adjusted Gross Income

Fiscal Year 2008

Size of adjusted gross income [1]	Returns filed in Calendar Year 2007 (percent of total) [2]	Examination coverage in Fiscal Year 2008 (percent) [3]
All returns [4]	100.00	1.00
No adjusted gross income [5]	2.13	2.15
\$1 under \$25,000	40.51	0.90
\$25,000 under \$50,000	24.31	0.72
\$50,000 under \$75,000	13.44	0.69
\$75,000 under \$100,000	7.99	0.69
\$100,000 under \$200,000	8.69	0.98
\$200,000 under \$500,000	2.25	1.92
\$500,000 under \$1,000,000	0.43	2.98
\$1,000,000 under \$5,000,000	0.23	4.02
\$5,000,000 under \$10,000,000	0.02	6.47
\$10,000,000 or more	0.01	9.77

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

[2] In general, examination activity is associated with returns filed in the previous calendar year.

[3] Represents the number of returns examined in Fiscal Year 2008 for each adjusted gross income (AGI) class, as a percentage of the total number of returns filed in Calendar Year 2007 for that AGI class.

[4] In addition to examinations of returns filed, IRS examined more than 158,000 cases in which no return was filed. These nonfiler cases were referred for examination by the Collections Program and the Automated Substitute for Return Program (ASFR). In the ASFR Program, IRS uses information returns (such as Forms W-2 and 1099) to identify persons who failed to file a return and constructs tax returns for certain nonfilers based on that third-party information. These nonfiler cases are excluded from the examination data in this table.

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

SOURCE: Research, Analysis, and Statistics, Office of Research RAS:R