

Tax Gap Estimates for Tax Years 2011–2013: Table 5

Individual Income Tax Underreporting Tax Gap by Source: Tax Years 2011–2013 [1]

[Money amounts are in billions of dollars]

Tax Return Line Items	Tax			Line Item Amount
	Tax Gap	Share of Gross Tax Gap	Share of Individual Income Tax Underreporting Tax Gap	Net Misreporting Percentage [2]
Gross Tax Gap	\$441	100%	N/A	N/A
Individual Income Tax Underreporting Tax Gap	\$245	56%	100%	18%
Items Subject to Substantial Information Reporting and Withholding	\$9	2%	4%	1%
Wages, salaries, tips	\$9	2%	4%	1%
Items Subject to Substantial Information Reporting	\$12	3%	5%	5%
Interest income	[3]	[3]	[3]	1%
Dividend income	\$1	[3]	1%	5%
State income tax refunds	\$1	[3]	[3]	12%
Pensions & annuities	\$5	1%	2%	3%
Unemployment Compensation	[3]	[3]	[3]	7%
Taxable Social Security benefits	\$4	1%	2%	11%
Items Subject to Some Information Reporting	\$36	8%	15%	17%
Partnership, S-Corp, Estate & Trust, etc.	\$19	4%	8%	11%
Alimony income	[4]	[4]	[4]	[4]
Capital gains [5]	\$17	4%	7%	23%
Short-term Capital Gains	\$7	2%	3%	24%
Long-term Capital Gains	\$10	2%	4%	15%
Items Subject to Little or No Information Reporting	\$109	25%	45%	55%
Form 4797 income	\$2	1%	1%	36%
Other income	\$16	4%	6%	42%
Nonfarm proprietor income	\$68	15%	28%	56%
Farm income	\$6	1%	2%	62%
Rents & royalties	\$17	4%	7%	51%
Other Taxes	\$1	[3]	1%	3%
Unallocated Marginal Effects	\$10	2%	4%	N/A
Income Offsets (Adjustments, Deductions, Exemptions)	\$20	4%	8%	5%
Total Credits	\$42	10%	17%	38%
Filing Status	\$5	1%	2%	N/A

[1] The estimates are the annual averages for the Tax Year 2011-2013 timeframe.

[2] The net misreporting percentage is the net misreported amount divided by the sum of the absolute values of the amounts that should have been reported, expressed as a percentage.

[3] Less than 0.5 percent or \$0.5 billion.

[4] Estimate is based on very small sample size. Estimated tax gap is less than \$ 0.5 billion and NMP is less than 0.5%.

[5] The TY 2008–2010 NMP for capital gains was incorrectly reported as 27%. The correct NMP for TY 2008–2010 was 21%.

N/A: not applicable; Detail may not add to total due to rounding.

SOURCE: Internal Revenue Service, "Federal Tax Compliance Research: Tax Gap Estimates for Tax Years 2011–2013," Publication 1415 (Rev. 9-2019).