

IRS Data Book Table 17

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2018

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2018 [1]	Returns examined			Number of returns examined with no change [5]	Recommended additional tax (thousands of dollars)
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	200,291,897	242,703	150,086	[6]	42,870	\$1,421,315
Individual income tax returns, total	153,927,628	234,543	135,889	0.2	41,276	\$997,217
Size of total positive income [7]:						
No total positive income	688,753	1,582	12,383	2.0	133	\$18,344
\$1 under \$25,000	49,364,340	138,840	55,550	0.4	22,690	\$566,159
\$25,000 under \$50,000	36,664,872	49,669	26,458	0.2	8,623	\$184,997
\$50,000 under \$75,000	21,730,391	16,782	9,930	0.1	3,596	\$60,702
\$75,000 under \$100,000	13,988,214	8,774	6,678	0.1	1,757	\$37,012
\$100,000 under \$200,000	22,077,272	13,511	13,310	0.1	2,954	\$61,838
\$200,000 under \$500,000	7,377,133	3,589	5,031	0.1	1,013	\$24,639
\$500,000 under \$1,000,000	1,249,264	895	2,030	0.2	256	\$10,824
\$1,000,000 under \$5,000,000	566,107	786	2,739	0.6	224	\$15,445
\$5,000,000 under \$10,000,000	41,434	65	355	1.0	18	\$11,825
\$10,000,000 or more	26,517	38	1,374	5.3	d	\$5,382
International returns [8]	153,331	12	51	[9]	d	\$51
Returns with earned income tax credit [10]	26,492,486	165,611	69,716	0.9	28,277	\$691,701
Corporation income tax returns, except Form 1120–S, total [11]	1,553,954	1,116	3,326	0.3	492	\$49,212
Returns other than Forms 1120–C and 1120–F, by size of balance sheet assets:						
No balance sheet	295,294	72	383	0.2	18	\$1,125
\$1 under \$250,000	709,793	162	454	0.1	48	\$1,556
\$250,000 under \$1,000,000	270,301	274	561	0.3	111	\$2,373
\$1,000,000 under \$5,000,000	161,855	228	679	0.6	112	\$2,927
\$5,000,000 under \$10,000,000	32,116	21	112	0.4	8	\$564
\$10,000,000 under \$50,000,000	34,428	138	294	1.3	50	\$8,365
\$50,000,000 under \$100,000,000	7,033	46	171	3.1	21	\$914
\$100,000,000 under \$250,000,000	5,993	40	133	2.9	18	\$17,084
\$250,000,000 under \$500,000,000	3,116	12	62	2.4	9	\$59
\$500,000,000 under \$1,000,000,000	2,161	10	45	2.5	9	\$6,442
\$1,000,000,000 under \$5,000,000,000	2,537	31	137	6.6	24	\$4,214
\$5,000,000,000 under \$20,000,000,000	815	34	112	17.9	29	\$3,011
\$20,000,000,000 or more	451	27	139	36.8	22	\$0
Form 1120–C returns [12]	7,524	0	13	0.2	0	\$0
Form 1120–F returns [13]	20,537	21	31	0.3	13	\$578
Partnership returns [14]	4,010,200	84	1,251	[9]	37	N/A
S corporation returns [15]	4,874,996	503	2,679	0.1	165	N/A
Estate and trust income tax returns [16]	3,053,667	9	150	[9]	3	\$47
Estate tax returns [17]	23,017	48	208	1.1	14	\$2,343
Gift tax returns	249,936	38	346	0.2	17	\$0
Employment tax returns	31,570,780	4,284	5,372	[9]	448	\$310,044
Excise tax returns [18]	1,027,719	2,078	865	0.3	418	\$62,452
Other taxable returns [19]	[6]	0	12	[6]	0	\$0
Other nontaxable returns [20]	[6]	0	33	[6]	0	N/A

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

† —The shaded tax years show returns still within the normal 3-year statute of limitations. Therefore, the percentage covered and recommended additional tax will increase in future years as additional examinations are opened. See Notes for additional details.

*—Data preceded by an asterisk are values from the Fiscal Year (FY) 2019 Data Book, Table 17a. Due to the relatively small changes between FY 2019 and FY 2020, the FY 2020 values cannot be shown in order to avoid disclosure about specific taxpayers. However, the totals, percentage covered, and recommended additional tax amounts shown are the FY 2020 values.

N/A—Not applicable.

[1] Includes all returns filed for the specified tax year as of December 31, 2020.

[2] Includes examinations that were closed as of September 30, 2020. Represents a distinct count of taxpayers by tax year and form type. During the course of an examination, additional related returns within the statute of limitations may require examination; these related return closures are counted by the appropriate tax year and form type.

[3] Includes examinations that are in an open examination status. During the course of an examination, additional related returns within the statute of limitations may require examination; these related returns examinations are counted by the appropriate tax year and form type. Represents a distinct count of taxpayers by tax year and form type.

[4] Represents total returns (closed and in-process) examined for each classification, as a percentage of the total number of returns filed for the tax year for that classification. This percentage may increase in future years as additional returns are selected for examination.

[5] No-change examinations (cases where no adjustment is made) tend to close in less time than examinations resulting in changes. For recent tax years, the percentage of returns with no changes may appear higher than previous years because these cases have already closed, and this rate could decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040–PR and 1040–SS, shown separately (see footnote 8). In general, total positive income (TPI) is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return, and thus excludes losses.

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

[9] Less than 0.05.

[10] Includes all returns selected for examination on the basis of an earned income tax credit (EITC) claim. Shown separately for information purposes. Counts are included in the appropriate TPI classes above.

[11] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120–C (income tax return for cooperative associations); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); and 1120–SF (income tax return for settlement funds). Excludes counts of examinations for certain other types of corporation returns, which are included in “Other taxable returns,” as described in footnote 19.

[12] Forms 1120–C are filed by cooperative associations.

[13] Forms 1120–F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120–L); foreign property and casualty insurance companies (Form 1120–PC); or foreign sales corporations (Form 1120–FSC).

[14] Generally, entities filing Form 1065 do not have a tax liability but pass through any profits and losses to the underlying owners, who include these profits or losses on their income tax returns. Under certain conditions, some partnerships are subject to tax and counts of those examinations are included in “Other taxable returns” in this table, as described in footnote 19.

[15] Includes most Forms 1120–S, which are filed by qualifying S corporations electing to be taxed through shareholders. Under certain conditions, some S corporations are subject to tax and counts of those examinations are included in “Other taxable returns” in this table, as described in footnote 19.

[16] Includes taxable Form 1041 (income tax return for estates and trusts) and Form 1041–N (income tax return for electing Alaska Native Settlement Trusts).

[17] Includes Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706–NA (estate tax return of nonresidents not a citizen of the United States); 706–GS(T) (generation-skipping transfer tax return for terminations); and 706–GS(D) (generation-skipping transfer tax return for distributions).

[18] Excludes excise tax returns filed with U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[19] Includes Forms 1120–FSC (foreign sales corporation income tax return); 1120–S for S corporations reporting a tax; 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); 1065–B for partnerships reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. real property interests); and 8804 (return of withholding tax on foreign partner’s share of effectively connected income).

[20] Includes the following nontaxable returns: Form 1120–IC–DISC (domestic international sales corporation return); Form 1041 (income tax return for estates and trusts); and Form 1066 (real estate mortgage investment conduit income tax return). Under certain circumstances, estates and trusts (Form 1041) are not subject to tax and are reported as nontaxable. See Estate and trust income tax returns for taxable Forms 1041.

NOTES: Table 17 is presented as a “snapshot” in time of the examination process, and the data will continue to change as open examinations close and new ones are opened. Comparing returns filed and returns audited for the same tax year provides the most accurate measure of audit coverage, allowing for a direct and clear picture of IRS activities. Some audits close within a year while others take several. As new audits of returns filed for recent tax years are opened, audit rates for those years will increase. In contrast, audit rates are less subject to change for returns filed for tax years that are past the normal statute of limitations for assessment. Generally, the assessment statute expiration date is 3 years after the return was due or 6 years if the income on the return was understated by 25 percent or more, and there is no statutory limit if a tax return was filed with the intent to commit fraud.. Tax Year 2016 is the most recent year outside the normal statute period. Going forward, the oldest tax year will drop off the table and be replaced by the newest full tax year. All money amounts are in current dollars.

SOURCE: Small Business/Self-Employed, Examination, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2017

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2017 [1]	Returns examined			Number of returns examined with no change [5]	Recommende d additional tax (thousands of dollars)
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	198,662,417	551,223	162,027	[6]	82,325	\$3,610,976
Individual income tax returns, total	153,062,634	521,603	141,179	0.4	74,667	\$2,825,648
Size of total positive income [7]:						
No total positive income	691,967	6,550	20,729	3.9	314	\$187,804
\$1 under \$25,000	51,853,559	278,300	15,999	0.6	33,157	\$1,240,024
\$25,000 under \$50,000	36,111,731	75,154	9,413	0.2	9,873	\$335,443
\$50,000 under \$75,000	21,252,437	40,545	24,523	0.3	6,849	\$168,824
\$75,000 under \$100,000	13,630,981	32,793	21,075	0.4	5,070	\$152,943
\$100,000 under \$200,000	20,929,068	60,205	30,044	0.4	12,465	\$336,561
\$200,000 under \$500,000	6,721,305	17,808	8,998	0.4	4,014	\$158,870
\$500,000 under \$1,000,000	1,140,173	5,130	3,877	0.8	1,482	\$77,834
\$1,000,000 under \$5,000,000	511,640	4,179	4,419	1.7	1,217	\$112,637
\$5,000,000 under \$10,000,000	36,895	355	667	2.8	104	\$22,683
\$10,000,000 or more	23,475	315	845	4.9	108	\$31,338
International returns [8]	159,403	269	590	0.5	14	\$686
Returns with earned income tax credit [10]	27,030,382	278,471	3,134	1.0	35,553	\$1,236,176
Corporation income tax returns, except Form 1120–S, total [11]	1,593,379	5,224	4,083	0.6	2,319	\$340,955
Returns other than Forms 1120–C and 1120–F, by size of balance sheet assets:						
No balance sheet	292,916	457	611	0.4	83	\$13,009
\$1 under \$250,000	749,689	921	543	0.2	283	\$26,659
\$250,000 under \$1,000,000	273,141	1,078	547	0.6	418	\$29,829
\$1,000,000 under \$5,000,000	162,403	704	490	0.7	325	\$21,604
\$5,000,000 under \$10,000,000	30,729	140	116	0.8	82	\$6,841
\$10,000,000 under \$50,000,000	33,032	736	496	3.7	384	\$30,915
\$50,000,000 under \$100,000,000	6,814	363	237	8.8	236	\$6,312
\$100,000,000 under \$250,000,000	5,881	305	241	9.3	197	\$32,427
\$250,000,000 under \$500,000,000	3,100	105	129	7.5	69	\$13,792
\$500,000,000 under \$1,000,000,000	2,168	107	97	9.4	57	\$17,931
\$1,000,000,000 under \$5,000,000,000	2,492	148	204	14.1	84	\$33,074
\$5,000,000,000 under \$20,000,000,000	819	67	163	28.1	40	\$31,899
\$20,000,000,000 or more	430	40	157	45.8	29	\$71,495
Form 1120–C returns [12]	9,174	5	12	0.2	0	\$162
Form 1120–F returns [13]	20,591	48	40	0.4	32	\$5,006
Partnership returns [14]	3,905,335	1,590	2,794	0.1	762	N/A
S corporation returns [15]	4,725,684	3,566	3,643	0.2	1,420	N/A
Estate and trust income tax returns [16]	3,074,621	68	300	[9]	18	\$1,253
Estate tax returns [17]	31,902	977	950	6.0	233	\$95,740
Gift tax returns	235,893	252	241	0.2	156	\$594
Employment tax returns	31,033,992	12,822	7,605	0.1	1,549	\$240,002
Excise tax returns [18]	998,977	5,121	1,232	0.6	1,201	\$106,784
Other taxable returns [19]	[6]	84	20	[6]	48	\$2,141
Other nontaxable returns [20]	[6]	32	160	[6]	16	N/A

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[18] Excludes excise tax returns filed with U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

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SOURCE: Small Business/Self-Employed, Examination, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2016

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2016 [1]	Returns examined			Number of returns examined with no change [5]	Recommende d additional tax (thousands of dollars)
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	195,814,543	799,009	47,493	[6]	95,741	\$7,346,784
Individual income tax returns, total	150,447,029	736,472	33,370	0.5	78,837	\$5,023,479
Size of total positive income [7]:						
No total positive income	677,256	21,266	17,917	5.8	384	\$747,239
\$1 under \$25,000	52,677,494	337,754	1,564	0.6	33,458	\$1,554,398
\$25,000 under \$50,000	35,816,063	129,310	1,272	0.4	13,110	\$652,163
\$50,000 under \$75,000	20,578,233	67,226	1,010	0.3	5,804	\$331,764
\$75,000 under \$100,000	13,199,129	48,230	885	0.4	4,603	\$246,286
\$100,000 under \$200,000	19,755,417	83,781	2,198	0.4	9,204	\$518,470
\$200,000 under \$500,000	6,051,639	29,498	2,479	0.5	7,043	\$330,426
\$500,000 under \$1,000,000	1,017,244	9,351	2,046	1.1	2,649	\$168,706
\$1,000,000 under \$5,000,000	449,500	7,460	2,532	2.2	2,042	\$285,884
\$5,000,000 under \$10,000,000	31,232	844	458	4.2	276	\$80,566
\$10,000,000 or more	18,947	*408	*729	7.0	243	\$105,627
International returns [8]	174,875	*452	*980	0.8	21	\$1,952
Returns with earned income tax credit [10]	27,382,904	329,131	676	1.2	35,362	\$1,490,352
Corporation income tax returns, except Form 1120–S, total [11]	1,590,207	11,212	2,437	0.9	4,466	\$1,249,287
Returns other than Forms 1120–C and 1120–F, by size of balance sheet assets:						
No balance sheet	293,042	1,194	526	0.6	238	\$68,702
\$1 under \$250,000	749,020	2,533	412	0.4	837	\$72,096
\$250,000 under \$1,000,000	277,107	2,302	254	0.9	839	\$72,419
\$1,000,000 under \$5,000,000	159,321	1,081	282	0.9	437	\$39,485
\$5,000,000 under \$10,000,000	30,136	339	65	1.3	181	\$27,260
\$10,000,000 under \$50,000,000	31,895	1,376	125	4.7	653	\$62,376
\$50,000,000 under \$100,000,000	6,535	609	48	10.1	351	\$45,827
\$100,000,000 under \$250,000,000	5,669	540	65	10.7	311	\$35,054
\$250,000,000 under \$500,000,000	3,091	288	81	11.9	150	\$18,847
\$500,000,000 under \$1,000,000,000	2,104	241	75	15.0	112	\$30,441
\$1,000,000,000 under \$5,000,000,000	2,439	355	181	22.0	166	\$158,332
\$5,000,000,000 under \$20,000,000,000	768	140	149	37.6	75	\$87,201
\$20,000,000,000 or more	410	93	124	52.9	50	\$516,802
Form 1120–C returns [12]	9,400	*8	*16	0.2	d	\$539
Form 1120–F returns [13]	19,270	*82	*52	0.8	d	\$13,905
Partnership returns [14]	3,763,117	5,221	2,370	0.2	2,654	N/A
S corporation returns [15]	4,592,042	7,906	2,031	0.2	3,065	N/A
Estate and trust income tax returns [16]	3,085,257	229	330	[9]	83	\$46,872
Estate tax returns [17]	34,041	2,586	115	7.9	538	\$371,270
Gift tax returns	239,785	1,699	160	0.8	942	\$108,034
Employment tax returns	31,083,624	25,282	6,245	0.1	3,303	\$403,851
Excise tax returns [18]	979,441	8,402	435	0.9	1,853	\$143,991
Other taxable returns [19]	[6]	170	14	[6]	21	\$7,500
Other nontaxable returns [20]	[6]	107	204	[6]	49	N/A

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

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N/A—Not applicable.

[1] Includes all returns filed for the specified tax year as of December 31, 2020.

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[3] Includes examinations that are in an open examination status. During the course of an examination, additional related returns within the statute of limitations may require examination; these related returns examinations are counted by the appropriate tax year and form type. Represents a distinct count of taxpayers by tax year and form type.

[4] Represents total returns (closed and in-process) examined for each classification, as a percentage of the total number of returns filed for the tax year for that classification. This percentage may increase in future years as additional returns are selected for examination.

[5] No-change examinations (cases where no adjustment is made) tend to close in less time than examinations resulting in changes. For recent tax years, the percentage of returns with no changes may appear higher than previous years because these cases have already closed, and this rate could decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040–PR and 1040–SS, shown separately (see footnote 8). In general, total positive income (TPI) is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return, and thus excludes losses.

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

[9] Less than 0.05.

[10] Includes all returns selected for examination on the basis of an earned income tax credit (EITC) claim. Shown separately for information purposes. Counts are included in the appropriate TPI classes above.

[11] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120–C (income tax return for cooperative associations); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); and 1120–SF (income tax return for settlement funds). Excludes counts of examinations for certain other types of corporation returns, which are included in “Other taxable returns,” as described in footnote 19.

[12] Forms 1120–C are filed by cooperative associations.

[13] Forms 1120–F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120–L); foreign property and casualty insurance companies (Form 1120–PC); or foreign sales corporations (Form 1120–FSC).

[14] Generally, entities filing Form 1065 do not have a tax liability but pass through any profits and losses to the underlying owners, who include these profits or losses on their income tax returns. Under certain conditions, some partnerships are subject to tax and counts of those examinations are included in “Other taxable returns” in this table, as described in footnote 19.

[15] Includes most Forms 1120–S, which are filed by qualifying S corporations electing to be taxed through shareholders. Under certain conditions, some S corporations are subject to tax and counts of those examinations are included in “Other taxable returns” in this table, as described in footnote 19.

[16] Includes taxable Form 1041 (income tax return for estates and trusts) and Form 1041–N (income tax return for electing Alaska Native Settlement Trusts).

[17] Includes Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706–NA (estate tax return of nonresidents not a citizen of the United States); 706–GS(T) (generation-skipping transfer tax return for terminations); and 706–GS(D) (generation-skipping transfer tax return for distributions).

[18] Excludes excise tax returns filed with U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[19] Includes Forms 1120–FSC (foreign sales corporation income tax return); 1120–S for S corporations reporting a tax; 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); 1065–B for partnerships reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. real property interests); and 8804 (return of withholding tax on foreign partner’s share of effectively connected income).

[20] Includes the following nontaxable returns: Form 1120–IC–DISC (domestic international sales corporation return); Form 1041 (income tax return for estates and trusts); and Form 1066 (real estate mortgage investment conduit income tax return). Under certain circumstances, estates and trusts (Form 1041) are not subject to tax and are reported as nontaxable. See Estate and trust income tax returns for taxable Forms 1041.

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SOURCE: Small Business/Self-Employed, Examination, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2015

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2015 [1]	Returns examined			Number of returns examined with no change [5]	Recommende d additional tax (thousands of dollars)
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	195,464,368	926,727	31,424	[6]	98,217	\$10,982,136
Individual income tax returns, total	150,675,111	845,936	24,729	0.6	80,114	\$6,568,415
Size of total positive income [7]:						
No total positive income	694,606	30,217	17,306	6.8	580	\$1,202,838
\$1 under \$25,000	54,053,915	357,096	674	0.7	29,994	\$1,745,274
\$25,000 under \$50,000	35,552,228	141,438	586	0.4	11,043	\$771,322
\$50,000 under \$75,000	20,264,175	107,991	519	0.5	8,210	\$478,145
\$75,000 under \$100,000	13,055,089	64,128	433	0.5	6,242	\$335,566
\$100,000 under \$200,000	19,459,447	91,722	988	0.5	11,819	\$629,598
\$200,000 under \$500,000	5,884,773	31,072	1,152	0.5	6,167	\$422,373
\$500,000 under \$1,000,000	1,011,282	10,260	870	1.1	2,847	\$237,499
\$1,000,000 under \$5,000,000	462,824	9,214	1,435	2.3	2,450	\$433,509
\$5,000,000 under \$10,000,000	33,774	1,134	327	4.3	331	\$89,236
\$10,000,000 or more	21,149	*1,039	*554	8.0	414	\$222,513
International returns [8]	181,849	*412	*3	0.2	17	\$543
Returns with earned income tax credit [10]	28,081,708	328,694	237	1.2	30,011	\$1,578,625
Corporation income tax returns, except Form 1120–S, total [11]	1,626,220	13,529	1,479	0.9	4,800	\$2,834,300
Returns other than Forms 1120–C and 1120–F, by size of balance sheet assets:						
No balance sheet	288,630	1,474	322	0.6	251	\$78,851
\$1 under \$250,000	788,271	2,920	215	0.4	816	\$98,910
\$250,000 under \$1,000,000	281,342	2,555	130	1.0	844	\$98,163
\$1,000,000 under \$5,000,000	158,355	1,049	156	0.8	*312	\$68,117
\$5,000,000 under \$10,000,000	29,524	287	36	1.1	*91	\$25,279
\$10,000,000 under \$50,000,000	30,944	1,782	61	6.0	844	\$126,829
\$50,000,000 under \$100,000,000	6,433	893	27	14.3	481	\$82,243
\$100,000,000 under \$250,000,000	5,672	759	50	14.3	381	\$96,955
\$250,000,000 under \$500,000,000	3,127	448	51	16.0	216	\$42,447
\$500,000,000 under \$1,000,000,000	2,068	333	49	18.5	129	\$67,532
\$1,000,000,000 under \$5,000,000,000	2,397	450	125	24.0	166	\$261,318
\$5,000,000,000 under \$20,000,000,000	770	168	106	35.6	50	\$573,986
\$20,000,000,000 or more	398	122	112	58.8	37	\$1,189,636
Form 1120–C returns [12]	9,472	22	5	0.3	5	\$1,691
Form 1120–F returns [13]	18,817	267	34	1.6	157	\$22,343
Partnership returns [14]	3,715,187	7,234	1,068	0.2	3,057	N/A
S corporation returns [15]	4,487,336	8,750	1,041	0.2	2,600	N/A
Estate and trust income tax returns [16]	3,108,277	495	292	[9]	94	\$16,701
Estate tax returns [17]	35,083	2,829	14	8.1	524	\$683,547
Gift tax returns	242,585	1,291	55	0.6	516	\$109,733
Employment tax returns	30,591,283	34,663	2,383	0.1	3,684	\$574,177
Excise tax returns [18]	983,286	12,000	363	1.3	2,828	\$195,263
Other taxable returns [19]	[6]	229	8	[6]	*18	\$6,797
Other nontaxable returns [20]	[6]	197	157	[6]	*85	N/A

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

† —The shaded tax years show returns still within the normal 3-year statute of limitations. Therefore, the percentage covered and recommended additional tax will increase in future years as additional examinations are opened. See Notes for additional details.

*—Data preceded by an asterisk are values from the Fiscal Year (FY) 2019 Data Book, Table 17a. Due to the relatively small changes between FY 2019 and FY 2020, the FY 2020 values cannot be shown in order to avoid disclosure about specific taxpayers. However, the totals, percentage covered, and recommended additional tax amounts shown are the FY 2020 values.

N/A—Not applicable.

[1] Includes all returns filed for the specified tax year as of December 31, 2020.

[2] Includes examinations that were closed as of September 30, 2020. Represents a distinct count of taxpayers by tax year and form type. During the course of an examination, additional related returns within the statute of limitations may require examination; these related return closures are counted by the appropriate tax year and form type.

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[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040–PR and 1040–SS, shown separately (see footnote 8). In general, total positive income (TPI) is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return, and thus excludes losses.

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

[9] Less than 0.05.

[10] Includes all returns selected for examination on the basis of an earned income tax credit (EITC) claim. Shown separately for information purposes. Counts are included in the appropriate TPI classes above.

[11] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120–C (income tax return for cooperative associations); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); and 1120–SF (income tax return for settlement funds). Excludes counts of examinations for certain other types of corporation returns, which are included in “Other taxable returns,” as described in footnote 19.

[12] Forms 1120–C are filed by cooperative associations.

[13] Forms 1120–F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120–L); foreign property and casualty insurance companies (Form 1120–PC); or foreign sales corporations (Form 1120–FSC).

[14] Generally, entities filing Form 1065 do not have a tax liability but pass through any profits and losses to the underlying owners, who include these profits or losses on their income tax returns. Under certain conditions, some partnerships are subject to tax and counts of those examinations are included in “Other taxable returns” in this table, as described in footnote 19.

[15] Includes most Forms 1120–S, which are filed by qualifying S corporations electing to be taxed through shareholders. Under certain conditions, some S corporations are subject to tax and counts of those examinations are included in “Other taxable returns” in this table, as described in footnote 19.

[16] Includes taxable Form 1041 (income tax return for estates and trusts) and Form 1041–N (income tax return for electing Alaska Native Settlement Trusts).

[17] Includes Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706–NA (estate tax return of nonresidents not a citizen of the United States); 706–GS(T) (generation-skipping transfer tax return for terminations); and 706–GS(D) (generation-skipping transfer tax return for distributions).

[18] Excludes excise tax returns filed with U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[19] Includes Forms 1120–FSC (foreign sales corporation income tax return); 1120–S for S corporations reporting a tax; 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); 1065–B for partnerships reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. real property interests); and 8804 (return of withholding tax on foreign partner’s share of effectively connected income).

[20] Includes the following nontaxable returns: Form 1120–IC–DISC (domestic international sales corporation return); Form 1041 (income tax return for estates and trusts); and Form 1066 (real estate mortgage investment conduit income tax return). Under certain circumstances, estates and trusts (Form 1041) are not subject to tax and are reported as nontaxable. See Estate and trust income tax returns for taxable Forms 1041.

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SOURCE: Small Business/Self-Employed, Examination, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2014

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2014 [1]	Returns examined			Number of returns examined with no change [5]	Recommende d additional tax (thousands of dollars)
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	193,457,528	949,235	17,912	[6]	102,302	\$14,148,112
Individual income tax returns, total	148,796,860	852,626	13,981	0.6	79,722	\$7,602,730
Size of total positive income [7]:						
No total positive income	653,832	49,900	8,117	8.9	887	\$1,930,419
\$1 under \$25,000	54,883,084	390,476	455	0.7	32,314	\$1,951,568
\$25,000 under \$50,000	35,052,633	147,530	382	0.4	11,423	\$827,162
\$50,000 under \$75,000	19,641,122	82,602	303	0.4	8,272	\$497,247
\$75,000 under \$100,000	13,079,844	49,520	250	0.4	5,770	\$267,956
\$100,000 under \$200,000	18,437,294	73,318	631	0.4	9,591	\$580,850
\$200,000 under \$500,000	5,423,436	29,232	878	0.6	5,955	\$386,573
\$500,000 under \$1,000,000	953,500	9,576	903	1.1	2,426	\$233,882
\$1,000,000 under \$5,000,000	431,033	9,572	1,377	2.5	2,156	\$449,223
\$5,000,000 under \$10,000,000	31,353	1,309	290	5.1	333	\$151,694
\$10,000,000 or more	19,447	1,329	352	8.6	*276	\$305,183
International returns [8]	190,282	8,262	43	4.4	*293	\$20,974
Returns with earned income tax credit [10]	28,537,908	360,329	156	1.3	32,471	\$1,705,829
Corporation income tax returns, except Form 1120–S, total [11]	1,616,336	15,905	935	1.0	5,497	\$4,142,303
Returns other than Forms 1120–C and 1120–F, by size of balance sheet assets:						
No balance sheet	277,491	1,973	244	0.8	333	\$81,624
\$1 under \$250,000	795,409	3,867	170	0.5	1,120	\$163,410
\$250,000 under \$1,000,000	281,525	2,834	75	1.0	998	\$103,991
\$1,000,000 under \$5,000,000	156,112	1,340	68	0.9	465	\$66,731
\$5,000,000 under \$10,000,000	27,967	440	19	1.6	*196	\$21,858
\$10,000,000 under \$50,000,000	29,854	1,511	44	5.2	644	\$122,895
\$50,000,000 under \$100,000,000	6,289	879	13	14.2	*462	\$61,916
\$100,000,000 under \$250,000,000	5,635	870	21	15.8	442	\$155,913
\$250,000,000 under \$500,000,000	3,107	516	27	17.5	*228	\$77,455
\$500,000,000 under \$1,000,000,000	2,025	389	27	20.5	*138	\$89,191
\$1,000,000,000 under \$5,000,000,000	2,365	569	63	26.7	178	\$503,532
\$5,000,000,000 under \$20,000,000,000	751	248	63	41.4	72	\$1,069,268
\$20,000,000,000 or more	382	152	79	60.5	*32	\$1,601,854
Form 1120–C returns [12]	9,381	*17	*12	0.3	*0	\$1,837
Form 1120–F returns [13]	18,043	*272	*31	1.7	*172	\$20,829
Partnership returns [14]	3,611,255	9,609	746	0.3	4,458	N/A
S corporation returns [15]	4,380,125	11,403	590	0.3	3,509	N/A
Estate and trust income tax returns [16]	3,126,912	681	291	[9]	89	\$22,920
Estate tax returns [17]	34,657	2,923	6	8.5	609	\$1,152,529
Gift tax returns	238,935	1,453	26	0.6	583	\$282,521
Employment tax returns	30,693,913	40,851	1,128	0.1	5,000	\$747,224
Excise tax returns [18]	958,535	13,784	209	1.5	2,835	\$197,885
Other taxable returns [19]	[6]	*190	*9	[6]	*18	\$12,049
Other nontaxable returns [20]	[6]	*218	*148	[6]	*96	N/A

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

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[18] Excludes excise tax returns filed with U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[19] Includes Forms 1120–FSC (foreign sales corporation income tax return); 1120–S for S corporations reporting a tax; 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); 1065–B for partnerships reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. real property interests); and 8804 (return of withholding tax on foreign partner’s share of effectively connected income).

[20] Includes the following nontaxable returns: Form 1120–IC–DISC (domestic international sales corporation return); Form 1041 (income tax return for estates and trusts); and Form 1066 (real estate mortgage investment conduit income tax return). Under certain circumstances, estates and trusts (Form 1041) are not subject to tax and are reported as nontaxable. See Estate and trust income tax returns for taxable Forms 1041.

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SOURCE: Small Business/Self-Employed, Examination, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2013

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2013 [1]	Returns examined			Number of returns examined with no change [5]	Recommende d additional tax (thousands of dollars)
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	191,615,881	1,050,112	10,331	[6]	124,239	\$17,306,211
Individual income tax returns, total	147,552,433	947,024	7,681	0.6	99,349	\$8,207,550
Size of total positive income [7]:						
No total positive income	612,213	78,114	3,460	13.3	887	\$2,495,450
\$1 under \$25,000	56,100,370	464,551	345	0.8	38,463	\$2,185,487
\$25,000 under \$50,000	34,699,278	121,609	261	0.4	10,750	\$673,534
\$50,000 under \$75,000	19,498,974	63,494	258	0.3	7,006	\$339,682
\$75,000 under \$100,000	12,768,455	52,636	255	0.4	7,476	\$307,151
\$100,000 under \$200,000	17,486,970	89,765	566	0.5	17,622	\$575,887
\$200,000 under \$500,000	4,935,434	39,733	654	0.8	10,959	\$406,580
\$500,000 under \$1,000,000	837,779	11,341	584	1.4	3,121	\$267,751
\$1,000,000 under \$5,000,000	371,171	10,157	817	3.0	2,164	\$472,847
\$5,000,000 under \$10,000,000	25,504	1,366	192	6.1	326	\$111,987
\$10,000,000 or more	15,151	1,474	273	11.5	407	\$343,585
International returns [8]	201,134	12,784	16	6.4	*167	\$27,609
Returns with earned income tax credit [10]	28,821,785	425,524	70	1.5	*38,153	\$1,944,088
Corporation income tax returns, except Form 1120–S, total [11]	1,625,298	18,450	636	1.2	6,365	\$7,189,708
Returns other than Forms 1120–C and 1120–F, by size of balance sheet assets:						
No balance sheet	279,688	2,481	136	0.9	516	\$99,677
\$1 under \$250,000	805,528	5,769	141	0.7	*2,048	\$180,073
\$250,000 under \$1,000,000	285,537	2,865	54	1.0	*1,018	\$96,058
\$1,000,000 under \$5,000,000	152,321	1,539	58	1.0	*523	\$67,892
\$5,000,000 under \$10,000,000	27,280	356	12	1.3	137	\$42,334
\$10,000,000 under \$50,000,000	28,786	1,521	30	5.4	*602	\$107,422
\$50,000,000 under \$100,000,000	6,053	781	7	13.0	*376	\$67,180
\$100,000,000 under \$250,000,000	5,523	791	17	14.6	*340	\$72,299
\$250,000,000 under \$500,000,000	3,008	537	17	18.4	*225	\$144,917
\$500,000,000 under \$1,000,000,000	1,920	*379	*25	21.3	*129	\$117,607
\$1,000,000,000 under \$5,000,000,000	2,287	598	40	27.9	*163	\$1,048,339
\$5,000,000,000 under \$20,000,000,000	704	283	33	44.9	*60	\$1,691,398
\$20,000,000,000 or more	371	199	58	69.3	29	\$3,351,168
Form 1120–C returns [12]	9,343	*23	*6	0.3	d	\$14,417
Form 1120–F returns [13]	16,949	309	17	1.9	*169	\$88,928
Partnership returns [14]	3,460,699	10,007	482	0.3	4,603	N/A
S corporation returns [15]	4,257,909	14,397	400	0.3	4,797	N/A
Estate and trust income tax returns [16]	3,154,219	1,529	294	0.1	638	\$37,184
Estate tax returns [17]	34,261	2,488	5	7.3	508	\$827,526
Gift tax returns	265,273	852	29	0.3	284	\$173,672
Employment tax returns	30,331,570	42,141	608	0.1	4,923	\$695,850
Excise tax returns [18]	934,219	13,224	196	1.4	2,772	\$174,720
Other taxable returns [19]	[6]	*382	*7	[6]	40	\$19,603
Other nontaxable returns [20]	[6]	*563	*137	[6]	259	N/A

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

† —The shaded tax years show returns still within the normal 3-year statute of limitations. Therefore, the percentage covered and recommended additional tax will increase in future years as additional examinations are opened. See Notes for additional details.

*—Data preceded by an asterisk are values from the Fiscal Year (FY) 2019 Data Book, Table 17a. Due to the relatively small changes between FY 2019 and FY 2020, the FY 2020 values cannot be shown in order to avoid disclosure about specific taxpayers. However, the totals, percentage covered, and recommended additional tax amounts shown are the FY 2020 values.

N/A—Not applicable.

[1] Includes all returns filed for the specified tax year as of December 31, 2020.

[2] Includes examinations that were closed as of September 30, 2020. Represents a distinct count of taxpayers by tax year and form type. During the course of an examination, additional related returns within the statute of limitations may require examination; these related return closures are counted by the appropriate tax year and form type.

[3] Includes examinations that are in an open examination status. During the course of an examination, additional related returns within the statute of limitations may require examination; these related returns examinations are counted by the appropriate tax year and form type. Represents a distinct count of taxpayers by tax year and form type.

[4] Represents total returns (closed and in-process) examined for each classification, as a percentage of the total number of returns filed for the tax year for that classification. This percentage may increase in future years as additional returns are selected for examination.

[5] No-change examinations (cases where no adjustment is made) tend to close in less time than examinations resulting in changes. For recent tax years, the percentage of returns with no changes may appear higher than previous years because these cases have already closed, and this rate could decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040–PR and 1040–SS, shown separately (see footnote 8). In general, total positive income (TPI) is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return, and thus excludes losses.

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

[9] Less than 0.05.

[10] Includes all returns selected for examination on the basis of an earned income tax credit (EITC) claim. Shown separately for information purposes. Counts are included in the appropriate TPI classes above.

[11] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120–C (income tax return for cooperative associations); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); and 1120–SF (income tax return for settlement funds). Excludes counts of examinations for certain other types of corporation returns, which are included in "Other taxable returns," as described in footnote 19.

[12] Forms 1120–C are filed by cooperative associations.

[13] Forms 1120–F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120–L); foreign property and casualty insurance companies (Form 1120–PC); or foreign sales corporations (Form 1120–FSC).

[14] Generally, entities filing Form 1065 do not have a tax liability but pass through any profits and losses to the underlying owners, who include these profits or losses on their income tax returns. Under certain conditions, some partnerships are subject to tax and counts of those examinations are included in "Other taxable returns" in this table, as described in footnote 19.

[15] Includes most Forms 1120–S, which are filed by qualifying S corporations electing to be taxed through shareholders. Under certain conditions, some S corporations are subject to tax and counts of those examinations are included in "Other taxable returns" in this table, as described in footnote 19.

[16] Includes taxable Form 1041 (income tax return for estates and trusts) and Form 1041–N (income tax return for electing Alaska Native Settlement Trusts).

[17] Includes Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706–NA (estate tax return of nonresidents not a citizen of the United States); 706–GS(T) (generation-skipping transfer tax return for terminations); and 706–GS(D) (generation-skipping transfer tax return for distributions).

[18] Excludes excise tax returns filed with U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[19] Includes Forms 1120–FSC (foreign sales corporation income tax return); 1120–S for S corporations reporting a tax; 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); 1065–B for partnerships reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. real property interests); and 8804 (return of withholding tax on foreign partner's share of effectively connected income).

[20] Includes the following nontaxable returns: Form 1120–IC–DISC (domestic international sales corporation return); Form 1041 (income tax return for estates and trusts); and Form 1066 (real estate mortgage investment conduit income tax return). Under certain circumstances, estates and trusts (Form 1041) are not subject to tax and are reported as nontaxable. See Estate and trust income tax returns for taxable Forms 1041.

NOTES: Table 17 is presented as a "snapshot" in time of the examination process, and the data will continue to change as open examinations close and new ones are opened. Comparing returns filed and returns audited for the same tax year provides the most accurate measure of audit coverage, allowing for a direct and clear picture of IRS activities. Some audits close within a year while others take several. As new audits of returns filed for recent tax years are opened, audit rates for those years will increase. In contrast, audit rates are less subject to change for returns filed for tax years that are past the normal statute of limitations for assessment. Generally, the assessment statute expiration date is 3 years after the return was due or 6 years if the income on the return was understated by 25 percent or more, and there is no statutory limit if a tax return was filed with the intent to commit fraud.. Tax Year 2016 is the most recent year outside the normal statute period. Going forward, the oldest tax year will drop off the table and be replaced by the newest full tax year. All money amounts are in current dollars.

SOURCE: Small Business/Self-Employed, Examination, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2012

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2012 [1]	Returns examined			Number of returns examined with no change [5]	Recommende d additional tax (thousands of dollars)
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	189,012,280	1,298,797	7,208	[6]	186,901	\$25,206,564
Individual income tax returns, total	145,143,496	1,178,717	5,302	0.8	157,340	\$9,616,534
Size of total positive income [7]:						
No total positive income	547,039	137,856	1,689	25.5	1,582	\$3,326,928
\$1 under \$25,000	56,004,999	548,515	259	1.0	53,929	\$2,280,866
\$25,000 under \$50,000	34,190,851	145,433	205	0.4	14,282	\$866,960
\$50,000 under \$75,000	19,297,146	80,271	187	0.4	11,528	\$352,033
\$75,000 under \$100,000	12,413,710	51,868	171	0.4	9,580	\$249,699
\$100,000 under \$200,000	16,635,432	86,424	475	0.5	18,301	\$507,657
\$200,000 under \$500,000	4,577,671	73,264	611	1.6	31,264	\$557,082
\$500,000 under \$1,000,000	804,750	21,130	459	2.7	8,716	\$229,001
\$1,000,000 under \$5,000,000	405,427	19,142	727	4.9	6,411	\$509,701
\$5,000,000 under \$10,000,000	31,160	2,433	193	8.4	*706	\$128,061
\$10,000,000 or more	20,287	2,447	318	13.6	*656	\$582,423
International returns [8]	215,024	9,934	8	4.6	380	\$26,122
Returns with earned income tax credit [10]	27,848,264	510,150	25	1.8	*53,571	\$2,022,277
Corporation income tax returns, except Form 1120–S, total [11]	1,631,804	20,821	439	1.3	7,044	\$13,373,358
Returns other than Forms 1120–C and 1120–F, by size of balance sheet assets:						
No balance sheet	330,038	2,491	90	0.8	*467	\$93,650
\$1 under \$250,000	768,252	6,634	108	0.9	*2,280	\$216,815
\$250,000 under \$1,000,000	284,904	*3,338	*49	1.2	*1,206	\$109,113
\$1,000,000 under \$5,000,000	150,069	1,806	50	1.2	*656	\$72,195
\$5,000,000 under \$10,000,000	26,479	386	10	1.5	122	\$29,539
\$10,000,000 under \$50,000,000	27,722	1,676	26	6.1	654	\$139,930
\$50,000,000 under \$100,000,000	5,905	*792	*8	13.5	*356	\$74,741
\$100,000,000 under \$250,000,000	5,576	*937	*13	17.1	*410	\$580,488
\$250,000,000 under \$500,000,000	2,929	*532	*8	18.5	208	\$235,260
\$500,000,000 under \$1,000,000,000	1,968	463	6	23.8	136	\$311,216
\$1,000,000,000 under \$5,000,000,000	2,202	*683	*38	32.9	185	\$714,027
\$5,000,000,000 under \$20,000,000,000	695	*331	*40	53.8	*66	\$3,167,657
\$20,000,000,000 or more	351	237	30	76.1	29	\$7,564,908
Form 1120–C returns [12]	9,122	*30	*5	0.4	d	\$8,689
Form 1120–F returns [13]	15,592	*411	*22	2.8	*248	\$55,130
Partnership returns [14]	3,388,561	11,265	425	0.3	5,307	N/A
S corporation returns [15]	4,205,452	16,662	273	0.4	6,235	N/A
Estate and trust income tax returns [16]	3,141,416	2,286	257	0.1	*1,040	\$68,840
Estate tax returns [17]	33,531	1,944	4	5.8	374	\$565,614
Gift tax returns	369,324	2,336	45	0.6	825	\$504,045
Employment tax returns	30,249,747	50,852	329	0.2	5,484	\$843,400
Excise tax returns [18]	848,949	13,914	134	1.7	3,252	\$234,774
Other taxable returns [19]	[6]	509	6	[6]	*97	\$16,747
Other nontaxable returns [20]	[6]	865	127	[6]	*359	N/A

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

† —The shaded tax years show returns still within the normal 3-year statute of limitations. Therefore, the percentage covered and recommended additional tax will increase in future years as additional examinations are opened. See Notes for additional details.

*—Data preceded by an asterisk are values from the Fiscal Year (FY) 2019 Data Book, Table 17a. Due to the relatively small changes between FY 2019 and FY 2020, the FY 2020 values cannot be shown in order to avoid disclosure about specific taxpayers. However, the totals, percentage covered, and recommended additional tax amounts shown are the FY 2020 values.

N/A—Not applicable.

[1] Includes all returns filed for the specified tax year as of December 31, 2020.

[2] Includes examinations that were closed as of September 30, 2020. Represents a distinct count of taxpayers by tax year and form type. During the course of an examination, additional related returns within the statute of limitations may require examination; these related return closures are counted by the appropriate tax year and form type.

[3] Includes examinations that are in an open examination status. During the course of an examination, additional related returns within the statute of limitations may require examination; these related returns examinations are counted by the appropriate tax year and form type. Represents a distinct count of taxpayers by tax year and form type.

[4] Represents total returns (closed and in-process) examined for each classification, as a percentage of the total number of returns filed for the tax year for that classification. This percentage may increase in future years as additional returns are selected for examination.

[5] No-change examinations (cases where no adjustment is made) tend to close in less time than examinations resulting in changes. For recent tax years, the percentage of returns with no changes may appear higher than previous years because these cases have already closed, and this rate could decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040–PR and 1040–SS, shown separately (see footnote 8). In general, total positive income (TPI) is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return, and thus excludes losses.

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

[9] Less than 0.05.

[10] Includes all returns selected for examination on the basis of an earned income tax credit (EITC) claim. Shown separately for information purposes. Counts are included in the appropriate TPI classes above.

[11] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120–C (income tax return for cooperative associations); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); and 1120–SF (income tax return for settlement funds). Excludes counts of examinations for certain other types of corporation returns, which are included in "Other taxable returns," as described in footnote 19.

[12] Forms 1120–C are filed by cooperative associations.

[13] Forms 1120–F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120–L); foreign property and casualty insurance companies (Form 1120–PC); or foreign sales corporations (Form 1120–FSC).

[14] Generally, entities filing Form 1065 do not have a tax liability but pass through any profits and losses to the underlying owners, who include these profits or losses on their income tax returns. Under certain conditions, some partnerships are subject to tax and counts of those examinations are included in "Other taxable returns" in this table, as described in footnote 19.

[15] Includes most Forms 1120–S, which are filed by qualifying S corporations electing to be taxed through shareholders. Under certain conditions, some S corporations are subject to tax and counts of those examinations are included in "Other taxable returns" in this table, as described in footnote 19.

[16] Includes taxable Form 1041 (income tax return for estates and trusts) and Form 1041–N (income tax return for electing Alaska Native Settlement Trusts).

[17] Includes Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706–NA (estate tax return of nonresidents not a citizen of the United States); 706–GS(T) (generation-skipping transfer tax return for terminations); and 706–GS(D) (generation-skipping transfer tax return for distributions).

[18] Excludes excise tax returns filed with U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[19] Includes Forms 1120–FSC (foreign sales corporation income tax return); 1120–S for S corporations reporting a tax; 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); 1065–B for partnerships reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. real property interests); and 8804 (return of withholding tax on foreign partner's share of effectively connected income).

[20] Includes the following nontaxable returns: Form 1120–IC–DISC (domestic international sales corporation return); Form 1041 (income tax return for estates and trusts); and Form 1066 (real estate mortgage investment conduit income tax return). Under certain circumstances, estates and trusts (Form 1041) are not subject to tax and are reported as nontaxable. See Estate and trust income tax returns for taxable Forms 1041.

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SOURCE: Small Business/Self-Employed, Examination, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2011

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2011 [1]	Returns examined			Number of returns examined with no change [5]	Recommende d additional tax (thousands of dollars)
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	188,676,481	1,436,754	5,040	[6]	196,177	\$24,196,897
Individual income tax returns, total	145,586,312	1,295,980	3,721	0.9	160,435	\$10,401,545
Size of total positive income [7]:						
No total positive income	776,400	167,497	739	21.7	2,342	\$3,800,453
\$1 under \$25,000	57,464,484	571,200	201	1.0	42,326	\$2,548,178
\$25,000 under \$50,000	34,603,921	192,212	151	0.6	17,792	\$943,613
\$50,000 under \$75,000	19,234,495	88,267	162	0.5	15,869	\$395,516
\$75,000 under \$100,000	12,239,639	57,147	112	0.5	12,846	\$262,029
\$100,000 under \$200,000	15,767,677	95,857	352	0.6	23,418	\$564,185
\$200,000 under \$500,000	4,225,699	69,449	564	1.7	27,635	\$524,098
\$500,000 under \$1,000,000	700,673	22,123	423	3.2	8,916	\$266,549
\$1,000,000 under \$5,000,000	320,496	20,052	599	6.4	7,505	\$461,750
\$5,000,000 under \$10,000,000	22,910	2,422	169	11.3	*867	\$96,448
\$10,000,000 or more	13,846	2,270	244	18.2	*802	\$521,816
International returns [8]	216,072	7,484	5	3.5	111	\$16,909
Returns with earned income tax credit [10]	27,911,726	493,705	14	1.8	38,939	\$2,183,813
Corporation income tax returns, except Form 1120–S, total [11]	1,661,740	23,349	293	1.4	7,686	\$11,611,328
Returns other than Forms 1120–C and 1120–F, by size of balance sheet assets:						
No balance sheet	278,037	2,825	45	1.0	*484	\$279,565
\$1 under \$250,000	849,261	7,485	81	0.9	2,409	\$130,448
\$250,000 under \$1,000,000	286,106	*3,722	*24	1.3	*1,358	\$126,661
\$1,000,000 under \$5,000,000	152,207	1,929	32	1.3	*700	\$86,075
\$5,000,000 under \$10,000,000	26,504	*519	*7	2.0	222	\$23,557
\$10,000,000 under \$50,000,000	27,151	1,872	23	7.0	741	\$434,980
\$50,000,000 under \$100,000,000	5,826	d	d	14.7	384	\$62,039
\$100,000,000 under \$250,000,000	5,542	*990	*9	18.0	*406	\$154,478
\$250,000,000 under \$500,000,000	2,942	d	d	21.3	*222	\$185,279
\$500,000,000 under \$1,000,000,000	1,974	496	7	25.5	144	\$162,190
\$1,000,000,000 under \$5,000,000,000	2,141	*795	*23	38.4	211	\$1,846,299
\$5,000,000,000 under \$20,000,000,000	685	*376	*31	59.7	67	\$2,364,951
\$20,000,000,000 or more	328	250	25	83.8	*29	\$5,152,119
Form 1120–C returns [12]	8,959	35	0	0.4	d	\$10,614
Form 1120–F returns [13]	14,077	*534	*13	3.9	297	\$592,073
Partnership returns [14]	3,285,177	15,331	263	0.5	8,097	N/A
S corporation returns [15]	4,158,572	16,902	134	0.4	6,340	N/A
Estate and trust income tax returns [16]	3,012,287	2,242	304	0.1	*973	\$61,189
Estate tax returns [17]	30,348	4,174	3	13.8	935	\$629,960
Gift tax returns	258,393	2,137	28	0.8	771	\$245,434
Employment tax returns	29,877,737	55,486	173	0.2	6,600	\$777,580
Excise tax returns [18]	805,915	21,153	121	2.6	*4,340	\$469,861
Other taxable returns [19]	[6]	586	14	[6]	*110	\$85,331
Other nontaxable returns [20]	[6]	1,402	99	[6]	677	N/A

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

† —The shaded tax years show returns still within the normal 3-year statute of limitations. Therefore, the percentage covered and recommended additional tax will increase in future years as additional examinations are opened. See Notes for additional details.

*—Data preceded by an asterisk are values from the Fiscal Year (FY) 2019 Data Book, Table 17a. Due to the relatively small changes between FY 2019 and FY 2020, the FY 2020 values cannot be shown in order to avoid disclosure about specific taxpayers. However, the totals, percentage covered, and recommended additional tax amounts shown are the FY 2020 values.

N/A—Not applicable.

[1] Includes all returns filed for the specified tax year as of December 31, 2020.

[2] Includes examinations that were closed as of September 30, 2020. Represents a distinct count of taxpayers by tax year and form type. During the course of an examination, additional related returns within the statute of limitations may require examination; these related return closures are counted by the appropriate tax year and form type.

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[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040–PR and 1040–SS, shown separately (see footnote 8). In general, total positive income (TPI) is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return, and thus excludes losses.

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

[9] Less than 0.05.

[10] Includes all returns selected for examination on the basis of an earned income tax credit (EITC) claim. Shown separately for information purposes. Counts are included in the appropriate TPI classes above.

[11] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120–C (income tax return for cooperative associations); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); and 1120–SF (income tax return for settlement funds). Excludes counts of examinations for certain other types of corporation returns, which are included in "Other taxable returns," as described in footnote 19.

[12] Forms 1120–C are filed by cooperative associations.

[13] Forms 1120–F are filed by foreign corporations with U.S. income, other than foreign life insurance companies (Form 1120–L); foreign property and casualty insurance companies (Form 1120–PC); or foreign sales corporations (Form 1120–FSC).

[14] Generally, entities filing Form 1065 do not have a tax liability but pass through any profits and losses to the underlying owners, who include these profits or losses on their income tax returns. Under certain conditions, some partnerships are subject to tax and counts of those examinations are included in "Other taxable returns" in this table, as described in footnote 19.

[15] Includes most Forms 1120–S, which are filed by qualifying S corporations electing to be taxed through shareholders. Under certain conditions, some S corporations are subject to tax and counts of those examinations are included in "Other taxable returns" in this table, as described in footnote 19.

[16] Includes taxable Form 1041 (income tax return for estates and trusts) and Form 1041–N (income tax return for electing Alaska Native Settlement Trusts).

[17] Includes Form 706 series as follows: 706 (estate and generation-skipping transfer tax return); 706–NA (estate tax return of nonresidents not a citizen of the United States); 706–GS(T) (generation-skipping transfer tax return for terminations); and 706–GS(D) (generation-skipping transfer tax return for distributions).

[18] Excludes excise tax returns filed with U.S. Customs and Border Protection and the Alcohol and Tobacco Tax and Trade Bureau.

[19] Includes Forms 1120–FSC (foreign sales corporation income tax return); 1120–S for S corporations reporting a tax; 1120–REIT (real estate investment trust income tax return); 1120–RIC (regulated investment company income tax return); 1065–B for partnerships reporting a tax; 8288 (withholding tax return for disposition by foreign persons of U.S. real property interests); and 8804 (return of withholding tax on foreign partner's share of effectively connected income).

[20] Includes the following nontaxable returns: Form 1120–IC–DISC (domestic international sales corporation return); Form 1041 (income tax return for estates and trusts); and Form 1066 (real estate mortgage investment conduit income tax return). Under certain circumstances, estates and trusts (Form 1041) are not subject to tax and are reported as nontaxable. See Estate and trust income tax returns for taxable Forms 1041.

NOTES: Table 17 is presented as a "snapshot" in time of the examination process, and the data will continue to change as open examinations close and new ones are opened. Comparing returns filed and returns audited for the same tax year provides the most accurate measure of audit coverage, allowing for a direct and clear picture of IRS activities. Some audits close within a year while others take several. As new audits of returns filed for recent tax years are opened, audit rates for those years will increase. In contrast, audit rates are less subject to change for returns filed for tax years that are past the normal statute of limitations for assessment. Generally, the assessment statute expiration date is 3 years after the return was due or 6 years if the income on the return was understated by 25 percent or more, and there is no statutory limit if a tax return was filed with the intent to commit fraud.. Tax Year 2016 is the most recent year outside the normal statute period. Going forward, the oldest tax year will drop off the table and be replaced by the newest full tax year. All money amounts are in current dollars.

SOURCE: Small Business/Self-Employed, Examination, Performance Planning and Analysis Examination, Small Business Exam Data Management.

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2010

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2010 [1]	Returns examined			Number of returns examined with no change [5]	Recommende d additional tax (thousands of dollars)
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	186,507,283	1,589,877	4,561	[6]	256,158	\$26,823,457
Individual income tax returns, total	143,113,663	1,435,760	3,397	1.0	216,120	\$11,020,660
Size of total positive income [7]:						
No total positive income	774,329	158,777	572	20.6	3,455	\$3,870,497
\$1 under \$25,000	56,318,669	578,763	180	1.0	*43,575	\$2,522,661
\$25,000 under \$50,000	34,652,897	*210,849	*216	0.6	*28,658	\$893,552
\$50,000 under \$75,000	19,047,120	130,953	125	0.7	29,696	\$490,159
\$75,000 under \$100,000	12,240,568	79,859	110	0.7	*21,771	\$337,096
\$100,000 under \$200,000	15,016,527	127,221	361	0.8	33,741	\$707,901
\$200,000 under \$500,000	3,869,967	87,837	522	2.3	35,371	\$584,742
\$500,000 under \$1,000,000	639,453	22,765	381	3.6	*8,695	\$306,193
\$1,000,000 under \$5,000,000	298,247	23,820	593	8.2	*8,883	\$500,950
\$5,000,000 under \$10,000,000	20,952	*2,678	*158	13.5	*924	\$172,224
\$10,000,000 or more	13,322	*2,605	*257	21.5	*956	\$610,397
International returns [8]	221,612	9,546	4	4.3	385	\$24,287
Returns with earned income tax credit [10]	27,367,757	496,277	11	1.8	34,125	\$2,119,652
Corporation income tax returns, except Form 1120–S, total [11]	1,684,341	25,939	229	1.6	7,802	\$13,922,416
Returns other than Forms 1120–C and 1120–F, by size of balance sheet assets:						
No balance sheet	266,121	*2,864	*45	1.1	*384	\$120,920
\$1 under \$250,000	875,323	7,609	78	0.9	*2,178	\$160,614
\$250,000 under \$1,000,000	299,036	*4,213	*17	1.4	1,358	\$116,064
\$1,000,000 under \$5,000,000	150,481	2,444	23	1.6	*878	\$103,422
\$5,000,000 under \$10,000,000	26,172	*553	*7	2.1	*193	\$40,267
\$10,000,000 under \$50,000,000	26,458	*2,312	*6	8.8	*820	\$241,788
\$50,000,000 under \$100,000,000	5,696	d	d	18.9	404	\$115,378
\$100,000,000 under \$250,000,000	5,440	*1,169	*7	21.6	*475	\$126,255
\$250,000,000 under \$500,000,000	2,930	d	d	24.2	224	\$155,136
\$500,000,000 under \$1,000,000,000	1,854	*546	*9	29.8	157	\$432,889
\$1,000,000,000 under \$5,000,000,000	2,103	*949	*18	46.1	*184	\$2,332,296
\$5,000,000,000 under \$20,000,000,000	662	423	12	65.7	73	\$2,645,555
\$20,000,000,000 or more	330	270	16	86.7	29	\$7,200,202
Form 1120–C returns [12]	8,911	40	0	0.4	*5	\$19,160
Form 1120–F returns [13]	12,824	*728	*14	5.8	*427	\$112,470
Partnership returns [14]	3,248,481	15,385	345	0.5	7,598	N/A
S corporation returns [15]	4,127,554	17,517	106	0.4	5,725	N/A
Estate and trust income tax returns [16]	2,999,204	3,138	307	0.1	1,482	\$77,398
Estate tax returns [17]	10,337	1,037	3	10.1	398	\$36,524
Gift tax returns	219,544	2,127	12	1.0	*858	\$658,793
Employment tax returns	30,264,833	71,756	92	0.2	11,186	\$756,838
Excise tax returns [18]	839,326	17,218	70	2.1	4,989	\$350,828
Other taxable returns [19]	[6]	611	12	[6]	*131	\$102,840
Other nontaxable returns [20]	[6]	1,739	151	[6]	*782	N/A

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

† —The shaded tax years show returns still within the normal 3-year statute of limitations. Therefore, the percentage covered and recommended additional tax will increase in future years as additional examinations are opened. See Notes for additional details.

*—Data preceded by an asterisk are values from the Fiscal Year (FY) 2019 Data Book, Table 17a. Due to the relatively small changes between FY 2019 and FY 2020, the FY 2020 values cannot be shown in order to avoid disclosure about specific taxpayers. However, the totals, percentage covered, and recommended additional tax amounts shown are the FY 2020 values.

N/A—Not applicable.

[1] Includes all returns filed for the specified tax year as of December 31, 2020.

[2] Includes examinations that were closed as of September 30, 2020. Represents a distinct count of taxpayers by tax year and form type. During the course of an examination, additional related returns within the statute of limitations may require examination; these related return closures are counted by the appropriate tax year and form type.

[3] Includes examinations that are in an open examination status. During the course of an examination, additional related returns within the statute of limitations may require examination; these related returns examinations are counted by the appropriate tax year and form type. Represents a distinct count of taxpayers by tax year and form type.

[4] Represents total returns (closed and in-process) examined for each classification, as a percentage of the total number of returns filed for the tax year for that classification. This percentage may increase in future years as additional returns are selected for examination.

[5] No-change examinations (cases where no adjustment is made) tend to close in less time than examinations resulting in changes. For recent tax years, the percentage of returns with no changes may appear higher than previous years because these cases have already closed, and this rate could decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040–PR and 1040–SS, shown separately (see footnote 8). In general, total positive income (TPI) is the sum of all positive amounts shown for the various sources of income reported on the individual income tax return, and thus excludes losses.

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

[9] Less than 0.05.

[10] Includes all returns selected for examination on the basis of an earned income tax credit (EITC) claim. Shown separately for information purposes. Counts are included in the appropriate TPI classes above.

[11] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120–C (income tax return for cooperative associations); 1120–F (foreign corporation income tax return, except foreign life insurance company, foreign property and casualty insurance company, or foreign sales corporation); 1120–H (homeowner association income tax return); 1120–L (life insurance company income tax return); 1120–ND (return for nuclear decommissioning funds); 1120–PC (property and casualty insurance company income tax return); and 1120–SF (income tax return for settlement funds). Excludes counts of examinations for certain other types of corporation returns, which are included in “Other taxable returns,” as described in footnote 19.

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