

16-Apr-24

### Tax Gap Projections for Tax Years 2020 and 2021

#### Tax Gap Estimates for Tax Years 2014–2016 and Projections for Tax Years 2017–2019, 2020 and 2021

[Money amounts are in billions of dollars]

Tax Gap Component	TY 2014–2016 [2]	Projections [1]			
		TY 2017–2019 [2]	TY 2017–2019 [2] Revised	TY 2020	TY 2021
<b>Estimated Total True Tax</b>	<b>\$3,307</b>	<b>\$3,621</b>	<b>\$3,645</b>	<b>\$3,902</b>	<b>\$4,565</b>
<b>Gross Tax Gap</b>	<b>\$496</b>	<b>\$540</b>	<b>\$550</b>	<b>\$601</b>	<b>\$688</b>
Nonfiling Gap	\$39	\$41	\$41	\$52	\$77
Underreporting Gap	\$398	\$433	\$445	\$480	\$542
Underpayment Gap	\$59	\$66	\$64	\$69	\$68
<b>Voluntary Compliance Rate</b>	<b>85.0%</b>	<b>85.1%</b>	<b>84.9%</b>	<b>84.6%</b>	<b>84.9%</b>
<b>Enforced and Other Late Payments</b>	<b>\$68</b>	<b>\$70</b>	<b>\$70</b>	<b>\$63</b>	<b>\$63</b>
<b>Net Tax Gap [4]</b>	<b>\$428</b>	<b>\$470</b>	<b>\$481</b>	<b>\$539</b>	<b>\$625</b>
<b>Net Compliance Rate</b>	<b>87.0%</b>	<b>87.0%</b>	<b>86.8%</b>	<b>86.2%</b>	<b>86.3%</b>

[1] These figures will be updated as more complete compliance data become available.

[2] The estimates are the annual averages for the covered timeframe.

[3] The net tax gap is the gross tax gap reduced by the amount of enforced and other late payments that will eventually be paid.

Detail may not add to total due to rounding.

**Source:** Internal Revenue Service, "Federal Tax Compliance Research: Tax Gap Projections for Tax Years 2020 and 2021 [Table 1]," Publication 5869 (10-2023).

17-May-23

# **Tax Gap Estimates for Tax Years 2014–2016: Table 1**

## **Decomposition of Differences in TY 2011–2013 and TY 2014–2016 Tax Gap Estimates**

[Money amounts are in billions of dollars]

Tax Gap Component	TY 2011–2013		TY 2014–2016 [1]	Decomposition of Difference Between TY 2014–2016 Estimates and Prior Published TY 2011–2013 Estimates		
	Prior Published [1]	Revised [1]		Total	Due to Updated Methods [2]	Due to Other Factors [3]
<b>Estimated Total True Tax</b>	<b>\$2,683</b>	<b>\$2,688</b>	<b>\$3,307</b>	<b>\$625</b>	<b>\$5</b>	<b>\$620</b>
<b>Gross Tax Gap</b>	<b>\$441</b>	<b>\$438</b>	<b>\$496</b>	<b>\$55</b>	<b>-\$3</b>	<b>\$58</b>
Nonfiling Gap	\$39	\$37	\$39	\$0	-\$2	\$2
Underreporting Gap	\$352	\$349	\$398	\$46	-\$3	\$49
Underpayment Gap	\$50	\$52	\$59	\$9	\$2	\$7
<b>Voluntary Compliance Rate</b>	<b>83.6%</b>	<b>83.7%</b>	<b>85.0%</b>	<b>1.4%</b>	<b>0.1%</b>	<b>1.3%</b>
<b>Enforced and Other Late Payments</b>	<b>\$60</b>	<b>\$58</b>	<b>\$68</b>	<b>\$8</b>	<b>-\$1</b>	<b>\$9</b>
<b>Net Tax Gap [4]</b>	<b>\$381</b>	<b>\$380</b>	<b>\$428</b>	<b>\$47</b>	<b>-\$1</b>	<b>\$48</b>
<b>Net Compliance Rate</b>	<b>85.8%</b>	<b>85.9%</b>	<b>87.0%</b>	<b>1.3%</b>	<b>0.1%</b>	<b>1.2%</b>

[1] The estimates are the annual averages for the covered timeframe.

[2] Difference between the prior published TY 2011–2013 and TY 2014–2016 tax gap estimates accounted for by updated methods (includes updated data).

[3] Difference between the prior published TY 2011–2013 and TY 2014–2016 tax gap estimates accounted for by changes in economic activity, changes in compliance behavior and statistical variability.

[4] The net tax gap is the gross tax gap reduced by the amount of enforced and other late payments that will eventually be paid.

Detail may not add to total due to rounding.

**Source:** Internal Revenue Service, "Federal Tax Compliance Research: Tax Gap Estimates for Tax Years 2014–2016," Publication 1415 (Rev. 10-2022).

14-Oct-19

# **Tax Gap Estimates for Tax Years 2011–2013: Table 1**

## **Decomposition of Differences in TY 2008–2010 and TY 2011–2013 Tax Gap Estimates**

[Money amounts are in billions of dollars]

Tax Gap Component	TY 2008–2010		TY 2011–2013 [1]	Decomposition of Difference Between TY 2011–2013 Estimates and Prior Published TY 2008–2010 Estimates		
	Prior Published [1]	Revised [1]		Total	Due to Updated Methods [2]	Due to Other Factors [3]
<b>Estimated Total True Tax</b>	<b>\$2,496</b>	<b>\$2,431</b>	<b>\$2,683</b>	<b>\$187</b>	<b>-\$65</b>	<b>\$252</b>
<b>Gross Tax Gap</b>	<b>\$458</b>	<b>\$394</b>	<b>\$441</b>	<b>-\$17</b>	<b>-\$64</b>	<b>\$47</b>
Nonfiling Gap	\$32	\$31	\$39	\$7	-\$1	\$8
Underreporting Gap	\$387	\$325	\$352	-\$35	-\$62	\$27
Underpayment Gap	\$39	\$39	\$50	\$11	\$0	\$11
<b>Voluntary Compliance Rate</b>	<b>81.7%</b>	<b>83.8%</b>	<b>83.6%</b>	<b>1.9%</b>	<b>2.1%</b>	<b>-0.2%</b>
<b>Enforced and Other Late Payments</b>	<b>\$52</b>	<b>\$50</b>	<b>\$60</b>	<b>\$8</b>	<b>-\$2</b>	<b>\$10</b>
<b>Net Tax Gap [4]</b>	<b>\$387</b>	<b>\$344</b>	<b>\$381</b>	<b>-\$25</b>	<b>-\$62</b>	<b>\$37</b>
<b>Net Compliance Rate</b>	<b>83.7%</b>	<b>85.8%</b>	<b>85.8%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>[5]</b>

[1] The estimates are the annual averages for the covered timeframe.

[2] Difference between the prior published TY 2008–2010 and TY 2011–2013 tax gap estimates accounted for by updated methods (includes updated data).

[3] Difference between the prior published TY 2008–2010 and TY 2011–2013 tax gap estimates accounted for by changes in economic activity, changes in compliance behavior and statistical variability.

[4] The net tax gap is the gross tax gap reduced by the amount of enforced and other late payments that will eventually be paid.

[5] Greater than 0.05 percent but less than 0.1 percent.

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).