

# United States Government Other Information (Unaudited) for the Years Ended September 30, 2020, and 2019

## Tax Burden

The Internal Revenue Code provides for progressive tax rates, whereby higher earned income is generally subject to higher tax rates. The following tables present the latest available information on income tax and related income, deductions, and credit: for individuals by income level, and for corporations by size of assets.

<b>Individual Income Tax Liability for Tax Year 2018</b>						
<b>Adjusted Gross Income (AGI)</b>	<b>Number of Taxable Returns</b> (In thousands)	<b>AGI</b> (In millions of dollars)	<b>Total Income Tax</b> (In millions of dollars)	<b>Average AGI Per Return</b> (In whole dollars)	<b>Average Income Tax per Return</b> (In whole dollars)	<b>Income Tax as a Percentage of AGI</b>
Under \$15,000 .....	32,618	40,228	591	1,233	18	1.5%
\$15,000 under \$30,000 .....	28,782	640,648	14,894	22,259	517	2.3%
\$30,000 under \$50,000 .....	27,528	1,078,886	49,485	39,192	1,798	4.6%
\$50,000 under \$100,000 .....	35,146	2,507,316	186,826	71,340	5,316	7.5%
\$100,000 under \$200,000 .....	21,146	2,878,203	320,536	136,111	15,158	11.1%
\$200,000 under \$500,000 .....	6,906	1,971,306	327,806	285,448	47,467	16.6%
\$500,000 or more .....	1,648	2,526,852	638,611	1,533,284	387,507	25.3%
<b>Total .....</b>	<b>153,774</b>	<b>11,643,439</b>	<b>1,538,749</b>			

### Corporate Income Tax Liability for Tax Year 2017

Total Assets (In thousands of dollars)	Income Subject to Tax (In millions of dollars)	Total Income Tax After Credits (In millions of dollars)	Percentage of Income Tax After Credits to Taxable Income
Zero Assets .....	25,145	7,740	30.8%
\$1 under \$500.....	7,611	1,514	19.9%
\$500 under \$1,000 .....	3,784	950	25.1%
\$1,000 under \$5,000 .....	13,638	4,011	29.4%
\$5,000 under \$10,000.....	8,617	2,727	31.7%
\$10,000 under \$25,000.....	12,535	4,021	32.1%
\$25,000 under \$50,000.....	11,831	3,809	32.2%
\$50,000 under \$100,000 .....	13,496	4,391	32.5%
\$100,000 under \$250,000 .....	21,275	6,652	31.3%
\$250,000 under \$500,000 .....	20,996	6,790	32.3%
\$500,000 under \$2,500,000 .....	85,366	25,998	30.5%
\$2,500,000 or more .....	777,981	196,257	25.2%
<b>Total .....</b>	<b>1,002,275</b>	<b>264,860</b>	

## Tax Gap

The gross tax gap is the difference between the amount of tax imposed by law and what taxpayers actually pay on time. The tax gap provides an estimate of the level of overall noncompliance and voluntary compliance during the relevant tax periods. Tax gap estimates provide periodic appraisals about the nature and extent of noncompliance for use in formulating tax administration strategies. Estimating the tax gap is inherently challenging and requires assessing the merits of alternative methods, assumptions, and data sources. There is no single approach that can be used for estimating all the components of the tax gap, so multiple methods are used. The most recent estimates covering the Tax Year 2011-2013 timeframe were released in FY 2019.

The gross tax gap is the amount of a tax liability that is not paid voluntarily and on time. The estimated annual average gross tax gap is \$441.0 billion. The gross tax gap is comprised of three components: non-filing, underreporting, and underpayment. The estimated gross tax gap for each of these components is \$39.0 billion, \$352.0 billion, and \$50.0 billion, respectively. The gross tax gap estimates are also segmented by type of tax; individual income tax, corporation income tax, employment tax, and estate and excise tax. The estimated gross tax gap for each of these types of tax is \$314.0 billion, \$42.0 billion, \$81.0 billion, and \$3.0 billion, respectively.<sup>1</sup>

The net tax gap is the gross tax gap less tax that subsequently will be paid either late through voluntary payments or collected through IRS administrative and enforcement activities and is the portion of the gross tax gap that will not be paid. It is estimated that \$60.0 billion of the gross tax gap will eventually be paid resulting in a net tax gap of \$381.0 billion. The net tax gap estimates are also segmented by type of tax; individual income tax, corporation income tax, employment tax, and estate and excise tax. The estimated net tax gap for each of these types of tax is \$271.0 billion, \$32.0 billion, \$77.0 billion, and \$1.0 billion, respectively.

<sup>1</sup> Individual amounts may not add to totals due to rounding.