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| VERN BUCHANAN, FLORIDA | CHUCK GRASSLEY, IOWA |
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| LLOYD DOGGETT, TEXAS | MARIA CANTWELL, WASHINGTON |

Congress of the United States

JOINT COMMITTEE ON TAXATION
502 FORD HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6453
(202) 225-3621
<http://www.jct.gov>

May 1, 2025

Honorable Elizabeth Warren
United States Senate
SH-311
Washington, D.C. 20510

Honorable Christopher Murphy
United States Senate
SH-136
Washington, D.C. 20510

Honorable Mark Kelly
United States Senate
SH-516
Washington, D.C. 20510

Dear Senator Warren, Senator Murphy, and Senator Kelly:

Enclosed is the response we sent yesterday, with a corrected labeling to Table 2.

I hope this information is helpful to you. If we can be of further assistance in this matter, please let me know.

Sincerely,



Thomas A. Barthold

HOUSE SENATE
 JASON SMITH, MISSOURI, CHAIRMAN
 VERN BUCHANAN, FLORIDA
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 RICHARD NEAL, MASSACHUSETTS
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April 30, 2025

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 United States Senate
 SH-311
 Washington, D.C. 20510

Honorable Christopher Murphy
 United States Senate
 SH-136
 Washington, D.C. 20510

Honorable Mark Kelly
 United States Senate
 SH-516
 Washington, D.C. 20510

Dear Senator Warren, Senator Murphy, and Senator Kelly:

This letter is in response to your request of April 16, 2025, for the number and percentage of individual and corporate taxpayers with taxable income above certain specified values. Due to data limitations discussed below, this letter and the attached tables provide that information for tax years 2020, 2021, and 2022.

Table 1 provides the number of individual tax returns filed for each of the three included tax years, along with the number of those returns that have a positive tax liability.¹ The table shows the number of individual tax returns with taxable income² greater than \$10 million, \$100 million, \$500 million, and \$1 billion, and the corresponding percentages of the total number of individual returns and of the total number of returns with positive tax liability.

¹ Returns with positive tax liability are those returns for which the total tax, including income tax and other taxes reported on Form 1040, such as self-employment tax, the additional Medicare tax, and net investment income tax, after any reduction by non-refundable credits, is positive.

² Taxable income is computed by adding together income from different sources (*e.g.*, wages and investment income), excluding certain eligible income (*e.g.*, income from municipal bonds and the value of employer-provided health insurance), and subtracting allowed amounts (*e.g.*, itemized deductions or the standard deduction). For tax year 2022, taxable income is reported on line 15 of Form 1040. Taxable income includes income taxed at the ordinary income tax rates, as well as income from long-term capital gains and qualified dividends that are taxed at lower, preferential tax rates.

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Table 2 provides the number of corporate tax returns filed for each of the three included tax years, along with the number of those returns that have a positive tax liability.³ The table shows the number of corporate tax returns with taxable income⁴ greater than \$100 million, \$500 million, \$1 billion, and \$10 billion, and the corresponding percentages of the total number of corporate tax returns and of the number of returns with a positive tax liability. S corporations, regulated investment companies, and real estate investment trusts are not included in this analysis.

Both attached tables use a sample of tax returns created by the Internal Revenue Service's ("IRS") Statistics of Income Division ("SOI").⁵ The Individual Complete Report and Corporation Complete Report samples are created each year to provide information about the tax filings of individuals and corporations, respectively. Because tax returns for a given tax year may be filed several months after the end of the year, and because the IRS return processing divisions and Statistics of Income separately require time to collect and process the tax return data, and to produce data sets for analysis, data are available with a significant lag. For example, the individual tax return data for 2022 was delivered to the staff of the Joint Committee on Taxation in September of 2024, and the corporate tax return data for 2022 was delivered in November of 2024. As a result of this timing, the most recent three years of available data are for 2020, 2021, and 2022.

While the SOI's Complete Report samples are the most comprehensive samples of U.S. taxpayers' filed returns, the samples have limitations. For example, the Individual Complete Report sample data come only from initial tax returns, not from amended tax returns, which may be filed more frequently among high-income taxpayers. If income on amended returns differs substantially from initial returns, the ultimate number of high-income taxpayers within a year may differ from estimates using the Complete Report data. Further, some tax returns are unavailable for inclusion in the Complete Report samples: certain taxpayers are excluded for

³ Returns with a positive tax liability are those corporate tax returns for which the total tax, as reported on Forms 1120, after any reduction for non-refundable tax credits, is positive.

⁴ Corporate taxable income is reported on line 30 of Form 1120, line 31 of Form 1120-F, line 25 of Form 1120-L, and line 1 of Form 1120-PC.

⁵ Additional information about the Statistics of Income Division's work, including details on the data used for this analysis, can be found at <https://www.irs.gov/statistics/soi-tax-stats-statistics-of-income>.

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confidentiality purposes, and some tax returns undergoing review by other divisions of the IRS were unavailable to SOI for inclusion in the Complete Report samples. As a result of limitations like these, the counts presented in the attached tables may slightly misrepresent the actual number of taxpayers in those income categories.

The COVID-19 pandemic created another data limitation for tax years 2020 and 2021. Because tax return processing centers closed temporarily, the IRS was delayed in processing tax return data for those years. While SOI attempted to align sampled returns with the appropriate year of their filing, some returns may have been shifted to another sample year mistakenly during data processing. As a result, the data presented in the attached tables may have minor inaccuracies.

I hope this information is helpful to you. If we can be of further assistance in this matter, please let me know.

Sincerely,



Thomas A. Barthold

Table 1. Yearly Counts of the Number of Individual Tax Returns Reporting Taxable Income Exceeding Specific Amounts

| Tax Year ^[1] | Counts of Tax Returns | | |
|---|-----------------------|---------------|---------------|
| | 2020 | 2021 | 2022 |
| Filed Individual Tax Returns | 164.4 Million | 160.8 Million | 161.3 Million |
| Returns with a Positive Tax Liability^[2] | 119.4 Million | 130.2 Million | 124.3 Million |
| Returns with Taxable Income^[3] Greater Than \$10 Million | 23,524 | 40,832 | 30,551 |
| As a Percentage of All Filed Tax Returns | 0.01431% | 0.02539% | 0.01894% |
| As a Percentage of Returns with a Positive Tax Liability ^[2] | 0.01970% | 0.03137% | 0.02459% |
| Returns with Taxable Income^[3] Greater Than \$100 Million | 864 | 1,715 | 1,049 |
| As a Percentage of All Filed Tax Returns | 0.00053% | 0.00107% | 0.00065% |
| As a Percentage of Returns with a Positive Tax Liability ^[2] | 0.00072% | 0.00132% | 0.00084% |
| Returns with Taxable Income^[3] Greater Than \$500 Million | 73 | 128 | 83 |
| As a Percentage of All Filed Tax Returns | 0.00004% | 0.00008% | 0.00005% |
| As a Percentage of Returns with a Positive Tax Liability ^[2] | 0.00006% | 0.00010% | 0.00007% |
| Returns with Taxable Income^[3] Greater Than \$1 Billion | [4] | 33 | 33 |
| As a Percentage of All Filed Tax Returns | [5] | 0.00002% | 0.00002% |
| As a Percentage of Returns with a Positive Tax Liability ^[2] | [6] | 0.00003% | 0.00003% |

Joint Committee on Taxation

[1] The IRS Statistics of Income's annual Complete Report samples used for this analysis were developed in the return processing year following the given tax year, primarily reflecting tax returns filed for the given tax year. Nevertheless, returns for prior tax years were also filed in the processing year and are included in this analysis. The longstanding assumption by the IRS is that these late-filed prior-year returns are representative of late-filed returns for the primary tax year. In the 2022 Complete Report sample, approximately seven percent of returns are for a prior tax year. The percentage of prior-year returns among taxpayers with higher taxable income is higher than that of the sample overall. For example, among taxpayers with taxable income greater than \$10 million, approximately 12 percent of returns are prior-year returns. This higher rate is consistent with historical patterns of filing among the very highest income taxpayers.

[2] Returns with positive tax liability are those returns for which the total tax, including income tax and other taxes reported on Form 1040, such as self-employment tax, the additional Medicare tax, and net investment income tax, after any reduction by non-refundable credits, is positive.

[3] Taxable income is computed by adding together income from different sources (e.g., wages and investment income), excluding certain eligible income (e.g., income from municipal bonds and the value of employer-provided health insurance), and subtracting allowed amounts (e.g., itemized deductions or the standard deduction). For tax year 2022, taxable income is reported on line 15 of Form 1040. Taxable income includes income taxed at the ordinary income tax rates, as well as income from long-term capital gains and qualified dividends that are taxed at lower, preferential tax rates.

[4] Fewer than 30 taxpayers.

[5] Less than 0.00002 percent.

[6] Less than 0.00003 percent.

Table 2. Yearly Counts of the Number of Corporate Tax Returns Reporting Taxable Income Exceeding Specific Amounts

| Tax Year ^[1] | Counts of Tax Returns | | |
|---|-----------------------|--------------|--------------|
| | 2020 | 2021 | 2022 |
| Filed Corporate Tax Returns | 1.51 Million | 1.55 Million | 1.57 Million |
| Returns with a Positive Tax Liability^[2] | 0.45 Million | 0.58 Million | 0.62 Million |
| Returns with Taxable Income^[3] Greater Than \$100 Million | 1,476 | 1,930 | 2,180 |
| As a Percentage of All Filed Tax Returns | 0.09801% | 0.12463% | 0.13851% |
| As a Percentage of Returns with a Positive Tax Liability ^[2] | 0.33084% | 0.33538% | 0.35100% |
| Returns with Taxable Income^[3] Greater Than \$500 Million | 486 | 692 | 792 |
| As a Percentage of All Filed Tax Returns | 0.03227% | 0.04469% | 0.05032% |
| As a Percentage of Returns with a Positive Tax Liability ^[2] | 0.10894% | 0.12025% | 0.12752% |
| Returns with Taxable Income^[3] Greater Than \$1 Billion | 285 | 401 | 452 |
| As a Percentage of All Filed Tax Returns | 0.01893% | 0.02589% | 0.02872% |
| As a Percentage of Returns with a Positive Tax Liability ^[2] | 0.06388% | 0.06968% | 0.07278% |
| Returns with Taxable Income^[3] Greater Than \$10 Billion | [4] | 33 | 44 |
| As a Percentage of All Filed Tax Returns | 0.00193% | 0.00213% | 0.00280% |
| As a Percentage of Returns with a Positive Tax Liability ^[2] | 0.006500% | 0.00573% | 0.00708% |

Joint Committee on Taxation

[1] The IRS Statistics of Income's samples used for this analysis include corporate tax returns filed with accounting periods ending in July of the sample year through June of the subsequent year. For example, for tax year 2022, the sample includes returns filed with accounting periods ending July 2022 through June 2023. S corporations, regulated investment companies, and real estate investment trusts are not included in this analysis.

[2] Returns with a positive tax liability are those corporate tax returns for which the total tax, as reported on Forms 1120, after reduction for non-refundable tax credits, is positive.

[3] Corporate taxable income is reported on line 30 of Form 1120, line 31 of Form 1120-F, line 25 of Form 1120-L, and line 1 of Form 1120-PC.

[4] Fewer than 30 taxpayers.