

IRS Data Book Table 17

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2021

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2021 [1]	Returns examined			Number of returns examined with no change [5]	Recommended additional tax (thousands of dollars) [6]
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	212,086,992	279,643	86,879	0.2	53,402	\$1,918,100
Individual income tax returns, total	161,206,833	268,560	72,716	0.2	50,664	\$1,621,557
Size of total positive income [7]:						
No total positive income					722	\$81,916
\$1 under \$25,000	2,931,717	5,342	3,053	0.3		
\$25,000 under \$50,000	44,983,091	165,806	14,580	0.4	32,739	\$969,485
\$50,000 under \$75,000	37,679,393	53,763	12,919	0.2	8,988	\$274,574
\$75,000 under \$100,000	23,132,910	16,379	8,227	0.1	2,662	\$89,270
\$100,000 under \$200,000	14,828,621	8,354	6,410	0.1	1,531	\$46,034
\$200,000 under \$500,000	24,900,466	12,314	12,985	0.1	2,371	\$66,439
\$500,000 under \$1,000,000	9,597,600	3,624	5,478	0.1	892	\$30,902
\$1,000,000 under \$5,000,000	1,779,838	1,598	3,298	0.3	353	\$16,144
\$5,000,000 under \$10,000,000	867,592	1,003	3,315	0.5	254	\$23,856
\$10,000,000 or more	71,862	140	875	1.4	d	\$6,463
International returns [8]	51,250	211	1,279	2.9	94	\$16,384
Returns with earned income tax credit [9]	382,493	26	297	0.1	d	\$90
Corporation income tax returns, except Form 1120-S, total [10]	32,216,183	199,880	18,853	0.7	40,341	\$1,115,614
Returns other than Forms 1120-C and 1120-F, by size of balance sheet assets:						
No balance sheet	331,115	120	409	0.2	23	\$1,857
\$1 under \$250,000	632,014	513	698	0.2	167	\$6,324
\$250,000 under \$1,000,000	278,878	511	712	0.4	228	\$5,733
\$1,000,000 under \$5,000,000	176,971	243	433	0.4	129	\$4,431
\$5,000,000 under \$10,000,000	37,760	15	123	0.4	d	\$368
\$10,000,000 under \$50,000,000	42,316	14	79	0.2	d	\$6,635
\$50,000,000 under \$100,000,000	8,835	d	d	0.2	0	\$744
\$100,000,000 under \$250,000,000	7,394	5	23	0.4	d	\$103
\$250,000,000 under \$500,000,000	3,729	d	d	0.4	0	\$83
\$500,000,000 under \$1,000,000,000	2,448	d	d	0.9	d	\$471
\$1,000,000,000 under \$5,000,000,000	2,973	14	43	1.9	13	\$898
\$5,000,000,000 under \$20,000,000,000	932	13	48	6.5	10	\$2,601
\$20,000,000,000 or more	512	20	61	15.8	18	\$11,008
Form 1120-C returns [11]	8,413	d	d	[12]	0	\$0
Form 1120-F returns [13]	22,692	d	d	0.1	0	\$1,103
Partnership returns [14]	4,467,584	405	4,029	0.1	361	N/A
S corporation returns [15]	5,120,552	896	3,923	0.1	505	N/A
Estate and trust income tax returns [16]	3,033,133	d	d	[12]	d	\$151
Estate tax returns [17]	32,374	23	135	0.5	10	\$3,858
Gift tax returns	448,155	18	40	[12]	d	\$34
Employment tax returns	34,798,162	6,494	2,679	[12]	673	\$209,386
Excise tax returns [18]	1,423,217	1,761	549	0.2	585	\$40,756
Other taxable returns [19]	[6]	d	d	[6]	d	\$0
Other nontaxable returns [20]	[6]	0	45	[6]	0	N/A

†—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 completed. See Notes for additional details.

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

*—Data preceded by an asterisk are values from the prior year Data Book, Table 17. Due to these relatively small changes from year to year, the actual Fiscal Year (FY) 2023 values cannot be shown in order to avoid potential disclosure about specific taxpayers. However, the returns filed counts, percentage covered, and recommended additional tax amounts shown are the actual FY 2023 values.

N/A—Not applicable.

[1] The total number of returns filed for each tax year is derived from multiple sources. Therefore, some counts may change year to year while others will not. The return counts for individual, corporation (except for 1120-C), partnership, and gift tax returns are from official published IRS statistics; these counts will not change over time. The return counts for 1120-C, estate and trust income, estate, employment, and excise tax returns are from IRS databases and will be updated each year. These fields include all returns filed for the specified tax year as of December 31, 2023.

[2] Includes examinations that were closed as of September 30, 2023. 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. Represents a distinct count of taxpayers by 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 return 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 to tax liability is made) tend to close more quickly than examinations resulting in changes. Therefore, for recent tax years, the percentage of returns with no changes (compared to the total number of examinations closed) may appear higher than returns with no change for past years, and this rate may decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040-PR and 1040-SS, which are included in international returns (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] 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.

[10] 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.

[11] Forms 1120-C are filed by cooperative associations.

[12] Less than 0.05 percent.

[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 terminators); and 706-GS(D) (generation-skipping transfer tax return for distributions). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-GS(D-1).

[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; 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 shows examination information for each of the last 9 tax years, 2013–2021. It 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 return audits 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. The percentage of audits of returns filed for relatively recent tax years may appear low because as of the end of the fiscal year, relatively few examinations had been opened or closed yet. This reflects the normal timing of the audit process; 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 2019 is the most recent year outside of the normal statute period. Going forward, the oldest tax year will no longer be updated and will 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.

IRS Data Book Table 17

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2020

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2020 [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	208,068,240	457,814	49,356	[6]	72,387	\$4,114,147
Individual income tax returns, total	164,511,483	432,602	34,687	0.3	66,376	\$3,262,682
Size of total positive income [7]:						
No total positive income	3,631,912	16,944	5,560	0.6	488	\$1,020,406
\$1 under \$25,000	49,787,775	206,055	4,119	0.4	36,714	\$1,015,092
\$25,000 under \$50,000	39,516,857	87,982	3,644	0.2	12,347	\$412,478
\$50,000 under \$75,000	23,041,847	34,450	3,577	0.2	3,425	\$155,442
\$75,000 under \$100,000	14,726,736	21,035	3,097	0.2	1,695	\$104,751
\$100,000 under \$200,000	23,403,399	37,665	5,230	0.2	3,657	\$212,502
\$200,000 under \$500,000	8,165,629	17,459	3,008	0.3	4,776	\$122,195
\$500,000 under \$1,000,000	1,385,407	6,412	1,712	0.6	1,787	\$69,773
\$1,000,000 under \$5,000,000	622,329	3,112	2,226	0.9	835	\$76,930
\$5,000,000 under \$10,000,000	46,254	425	504	2.0	175	\$23,183
\$10,000,000 or more	30,646	896	1,632	8.2	467	\$49,605
International returns [8]	152,692	167	378	0.4	10	\$325
Returns with earned income tax credit [9]	26,025,709	245,110	1,704	0.9	48,027	\$1,191,962
Corporation income tax returns, except Form 1120-S, total [10]	1,499,042	5,158	4,461	0.6	2,383	\$352,032
Returns other than Forms 1120-C and 1120-F, by size of balance sheet assets:						
No balance sheet	297,812	532	727	0.4	130	\$25,467
\$1 under \$250,000	630,817	1,945	1,425	0.5	899	\$24,093
\$250,000 under \$1,000,000	269,608	1,783	1,079	1.1	885	\$21,561
\$1,000,000 under \$5,000,000	171,930	482	422	0.5	249	\$14,766
\$5,000,000 under \$10,000,000	35,656	41	135	0.5	13	\$15,430
\$10,000,000 under \$50,000,000	38,451	105	122	0.6	47	\$6,379
\$50,000,000 under \$100,000,000	7,931	71	40	1.4	34	\$2,987
\$100,000,000 under \$250,000,000	6,506	50	53	1.6	33	\$1,765
\$250,000,000 under \$500,000,000	3,276	12	38	1.5	7	\$42
\$500,000,000 under \$1,000,000,000	2,243	12	46	2.6	7	\$899
\$1,000,000,000 under \$5,000,000,000	2,498	44	132	7.0	24	\$2,766
\$5,000,000,000 under \$20,000,000,000	824	42	99	17.1	30	\$227,270
\$20,000,000,000 or more	451	29	116	32.2	21	\$6,880
Form 1120-C returns [11]	9,071	d	d	[12]	0	\$0
Form 1120-F returns [13]	21,540	d	d	0.2	d	\$1,728
Partnership returns [14]	4,645,903	420	2,594	0.1	343	N/A
S corporation returns [15]	4,892,722	1,212	2,063	0.1	395	N/A
Estate and trust income tax returns [16]	3,009,193	18	118	[12]	5	\$353
Estate tax returns [17]	31,747	462	531	3.1	180	\$68,395
Gift tax returns	253,425	371	283	0.3	244	\$18,770
Employment tax returns	27,891,847	14,830	4,080	0.1	1,851	\$316,419
Excise tax returns [18]	1,322,878	2,717	439	0.2	606	\$95,238
Other taxable returns [19]	[6]	6	10	[6]	[6]	\$257
Other nontaxable returns [20]	[6]	3	17	[6]	d	N/A

†—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 completed. See Notes for additional details.

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] The total number of returns filed for each tax year is derived from multiple sources. Therefore, some counts may change year to year while others will not. The return counts for individual, corporation (except for 1120-C), partnership, and gift tax returns are from official published IRS statistics; these counts will not change over time. The return counts for 1120-C, estate and trust income, estate, employment, and excise tax returns are from IRS databases and will be updated each year. These fields include all returns filed for the specified tax year as of December 31, 2023.

[2] Includes examinations that were closed as of September 30, 2023. 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. Represents a distinct count of taxpayers by 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 return examinations are counted by the appropriate tax year and form type. Represents a distinct count of taxpayers by 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, which are included in international returns (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] 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 class above.

[10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-L (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 (partnership and casualty insurance company income tax return); and 1120-SF (income tax return for settlement funds). Excludes

[11] Forms 1120-C are filed by cooperative associations.

[12] Less than 0.05 percent.

[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-NM (estate tax return for nonresidents not a citizen or the United States); 706-DC (1) (generation skipping transfer tax return for terminations); and 706-GS(D) (generation-skipping transfer tax return for distributions). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-GR(RL-1).

[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 shows examination information for each of the last 9 tax years, 2013–2021. It 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 return audits 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. The percentage of audits of returns filed for relatively recent tax years may appear low because as of the end of the fiscal year, relatively few examinations had been opened or closed yet. This reflects the normal timing of the audit process; 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 2019 is the most recent year outside of the normal statute period. Going forward, the oldest tax year will no longer be updated and will 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.

IRS Data Book Table 17

Examination Coverage and Recommended Additional Tax After Examination, by Type and Size of Return, Tax Year 2019

[Money amounts are in thousands of dollars]

Type and size of return	All returns filed for Tax Year 2019 [1]	Returns examined			Number of returns examined with no change [5]	Recommended additional tax (thousands of dollars) [6]
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	206,401,036	516,735	20,998	[6]	66,406	\$6,104,962
Individual income tax returns, total	157,951,815	473,637	13,235	0.3	56,751	\$4,491,026
Size of total positive income [7]:						
No total positive income	822,945	22,335	5,165	3.3	470	\$1,435,789
\$1 under \$25,000	49,276,854	216,441	781	0.4	21,549	\$1,199,185
\$25,000 under \$50,000	37,980,961	79,965	737	0.2	8,547	\$438,292
\$50,000 under \$75,000	22,635,798	41,769	438	0.2	5,235	\$204,993
\$75,000 under \$100,000	14,507,318	26,379	353	0.2	2,568	\$159,379
\$100,000 under \$200,000	22,850,934	47,357	857	0.2	6,659	\$323,190
\$200,000 under \$500,000	7,784,215	18,801	988	0.3	5,014	\$188,872
\$500,000 under \$1,000,000	1,298,420	8,530	813	0.7	2,764	\$125,388
\$1,000,000 under \$5,000,000	574,713	7,887	1,340	1.6	2,668	\$211,612
\$5,000,000 under \$10,000,000	40,191	834	405	3.1	288	\$56,527
\$10,000,000 or more	24,457	2,030	652	11.0	979	\$143,804
International returns [8]	155,009	1,309	706	1.3	10	\$3,995
Returns with earned income tax credit [9]	26,738,391	210,658	226	0.8	23,145	\$1,034,279
Corporation income tax returns, except Form 1120-S, total [10]	1,523,833	4,958	1,805	0.4	1,994	\$458,306
Returns other than Forms 1120-C and 1120-F, by size of balance sheet assets:						
No balance sheet	306,698	483	278	0.2	107	\$20,344
\$1 under \$250,000	666,383	1,213	207	0.2	445	\$30,647
\$250,000 under \$1,000,000	263,681	1,202	172	0.5	507	\$28,531
\$1,000,000 under \$5,000,000	162,802	675	188	0.5	274	\$22,516
\$5,000,000 under \$10,000,000	33,772	164	149	0.9	37	\$10,418
\$10,000,000 under \$50,000,000	36,409	508	103	1.7	250	\$46,502
\$50,000,000 under \$100,000,000	7,549	209	55	3.5	115	\$50,259
\$100,000,000 under \$250,000,000	6,426	193	65	4.0	98	\$19,864
\$250,000,000 under \$500,000,000	3,304	17	36	2.1	18	\$1,845
\$500,000,000 under \$1,000,000,000	2,245	17	62	4.6	10	\$20,347
\$1,000,000,000 under \$5,000,000,000	2,701	88	160	9.2	41	\$42,513
\$5,000,000,000 under \$20,000,000,000	867	71	145	24.9	44	\$55,643
\$20,000,000,000 or more	472	50	155	43.4	32	\$98,820
Form 1120-C returns [11]	9,348	d	d	[12]	d	\$0
Form 1120-F returns [13]	21,037	28	26	0.3	11	\$10,056
Partnership returns [14]	4,152,992	1,804	1,558	0.1	1,512	N/A
S corporation returns [15]	4,940,351	3,717	1,118	0.1	1,606	N/A
Estate and trust income tax returns [16]	3,061,310	91	162	[12]	22	\$11,142
Estate tax returns [17]	25,917	1,209	61	4.9	404	\$297,673
Gift tax returns	248,821	296	42	0.1	155	\$94,613
Employment tax returns	32,174,998	25,758	2,635	0.1	2,645	\$546,004
Excise tax returns [18]	1,320,999	4,866	328	0.4	1,144	\$203,408
Other taxable returns [19]	[6]	372	17	[6]	167	\$2,790
Other nontaxable returns [20]	[6]	27	37	[6]	6	N/A

†—The smallest 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 completed. See Notes for additional details.

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

*—Data preceded by an asterisk are values from the prior year Data Book, Table 17. Due to these relatively small changes from year to year, the actual Fiscal Year (FY) 2023 values cannot be shown in order to avoid potential disclosure about specific taxpayers. However, the returns filed counts, percentage covered, and recommended additional tax amounts shown are the actual FY 2023 values.

N/A—Not applicable.

[1] The total number of returns filed for each tax year is derived from multiple sources. Therefore, some counts may change year to year while others will not. The return counts for individual, corporate (except for 1120-C), partnership, and gift tax returns are from official published IRS statistics; these counts will not change over time. The return counts for 1120-C, estate and trust income, estate [2] Includes examinations that were closed as of September 30, 2023. 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. Represents a distinct count of taxpayers by 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 return 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 to tax liability is made) tend to close more quickly than examinations resulting in changes. Therefore, for recent tax years, the percentage of returns with no changes (compared to the total number of examinations closed) may appear higher than returns with no change for past years, and this rate may decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040-PR and 1040-SS, which are included in international returns (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] 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 class above.

[10] Includes the Form 1120 series as follows: 1120-C (corporation income tax return); 1120-E (income tax return for cooperative associations); 1120-F (foreign corporation income tax return); 1120-SS (self-employment income tax return for U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands residents); 1120-H (homeowner association income tax return); 1120-L (life insurance company income tax return); 1120-NI (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

[11] Forms 1120-C are filed by cooperative associations.

[12] Less than 0.05 percent.

[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 for nonresidents not a citizen or the United States); 706-GR(1) (generator skipping transfer tax return for terminations); and 706-GS(D) (generation-skipping transfer tax return for distributions). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-GR(1).

[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 shows examination information for each of the last 9 tax years, 2013–2021. It 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 return audits 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. The percentage of audits of returns filed for relatively recent tax years may appear low because as of the end of the fiscal year, relatively few examinations had been opened or closed yet. This reflects the normal timing of the audit process: 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 2019 is the most recent year outside of the normal statute period. Going forward, the oldest tax year will no longer be updated and will 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 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) [6]
		Closed [2]	In process [3]	Percentage covered [4]		
All returns, total	200,697,737	682,061	18,162	[6]	72,493	\$9,782,168
Individual income tax returns, total	153,927,628	523,354	12,329	0.3	61,624	\$6,304,270
Size of total positive income [7]:						
No total positive income	688,753	58,308	7,363	9.5	592	\$2,926,209
\$1 under \$25,000	49,364,340	208,880	284	0.4	25,957	\$968,402
\$25,000 under \$50,000	36,664,872	92,398	285	0.3	11,801	\$472,794
\$50,000 under \$75,000	21,730,391	46,403	208	0.2	5,539	\$252,055
\$75,000 under \$100,000	13,988,214	30,646	168	0.2	3,239	\$202,819
\$100,000 under \$200,000	22,077,272	53,386	405	0.2	6,748	\$386,178
\$200,000 under \$500,000	7,377,133	18,746	820	0.3	3,878	\$238,404
\$500,000 under \$1,000,000	1,249,264	5,087	830	0.5	1,076	\$122,685
\$1,000,000 under \$5,000,000	566,107	6,185	1,241	1.3	1,639	\$322,612
\$5,000,000 under \$10,000,000	41,434	796	247	2.5	209	\$90,861
\$10,000,000 or more	26,517	2,164	466	9.9	936	\$318,682
International returns [8]	153,331	355	12	0.2	10	\$2,569
Returns with earned income tax credit [9]	26,492,486	242,946	143	0.9	31,542	\$1,107,344
Corporation income tax returns, except Form 1120-S, total [10]	1,555,899	7,523	1,392	0.6	2,766	\$1,326,158
Returns other than Forms 1120-C and 1120-F, by size of balance sheet assets:						
No balance sheet	295,294	781	204	0.3	132	\$46,937
\$1 under \$250,000	709,793	1,425	144	0.2	480	\$48,328
\$250,000 under \$1,000,000	270,301	1,642	88	0.6	628	\$45,959
\$1,000,000 under \$5,000,000	161,855	1,250	146	0.9	494	\$46,668
\$5,000,000 under \$10,000,000	32,116	141	151	0.9	46	\$47,201
\$10,000,000 under \$50,000,000	34,428	810	67	2.5	352	\$48,684
\$50,000,000 under \$100,000,000	7,033	358	33	5.6	188	\$18,299
\$100,000,000 under \$250,000,000	5,993	316	40	5.9	161	\$32,711
\$250,000,000 under \$500,000,000	3,116	107	42	4.8	49	\$6,667
\$500,000,000 under \$1,000,000,000	2,161	96	60	7.2	29	\$57,352
\$1,000,000,000 under \$5,000,000,000	2,537	223	168	15.4	83	\$248,266
\$5,000,000,000 under \$20,000,000,000	815	122	134	31.4	45	\$229,937
\$20,000,000,000 or more	451	94	164	57.2	31	\$415,892
Form 1120-C returns [11]	9,488	d	d	0.1	d	\$241
Form 1120-F returns [13]	20,537	74	24	0.5	37	\$33,016
Partnership returns [14]	4,010,200	1,602	1,150	0.1	1,152	N/A
S corporation returns [15]	4,874,996	4,917	760	0.1	1,662	N/A
Estate and trust income tax returns [16]	3,083,069	219	139	[12]	29	\$10,740
Estate tax returns [17]	24,935	d	d	4.6	255	\$896,372
Gift tax returns	249,936	896	42	0.4	545	\$174,543
Employment tax returns	31,569,807	35,932	2,078	0.1	2,907	\$930,082
Excise tax returns [18]	1,301,267	6,255	232	0.5	1,506	\$129,230
Other taxable returns [19]	[6]	158	6	[6]	17	\$10,763
Other nontaxable returns [20]	[6]	20	51	[6]	11	N/A

*—The snapshot 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 completed. See Notes for additional details.

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

*—Data preceded by an asterisk are values from the prior year Data Book, Table 17. Due to these relatively small changes from year to year, the actual Fiscal Year (FY) 2023 values cannot be shown in order to avoid potential disclosure about specific taxpayers. However, the returns filed counts, percentage covered, and recommended additional tax amounts shown are the actual FY 2023 values.

N/A—Not applicable.

[1] The total number of returns filed for each tax year is derived from multiple sources. Therefore, some counts may change year to year while others will not. The return counts for individual, corporate (except for 1120-C), partnership, and gift tax returns are from official published IRS statistics; these counts will not change over time. The return counts for 1120-C, estate and trust income, estate [2] return closures are counted by the appropriate tax year and form type. Represents a distinct count of taxpayers by 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 return 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 to tax liability is made) tend to close more quickly than examinations resulting in changes. Therefore, for recent tax years, the percentage of returns with no changes (compared to the total number of examinations closed) may appear higher than returns with no change for past years, and this rate may decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040-PR and 1040-SS, which are included in international returns (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] 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 class above.

[10] Includes the Form 1120 series tax returns, 1120-C (corporation income tax return), 1120-E (income tax return for cooperative associations), 1120-F (foreign corporation income tax return), estate and trust 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-NI (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

[11] Forms 1120-C are filed by cooperative associations.

[12] Less than 0.05 percent.

[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 1040 series as follows: 1040 (estate and generation-skipping transfer tax return); 1040-NA (estate tax return for nonresidents not a citizen or the United States); 1040-GS(T) (generator skipping transfer tax return for terminations); and 706-GS(D) (generation-skipping transfer tax return for distributions). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-CR(N)-1.

[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 shows examination information for each of the last 9 tax years, 2013–2021. It 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 return audits 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. The percentage of audits of returns filed for relatively recent tax years may appear low because as of the end of the fiscal year, relatively few examinations had been opened or closed yet. This reflects the normal timing of the audit process: 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 2019 is the most recent year outside of the normal statute period. Going forward, the oldest tax year will no longer be updated and will 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]	Recommended additional tax (thousands of dollars) [6]
		Closed [2]	In process [3]	Percentage covered [4]		
All returns, total	198,942,481	788,570	15,745	[6]	97,901	\$14,680,633
Individual income tax returns, total	153,062,634	716,573	11,811	0.5	84,673	\$8,077,282
Size of total positive income [7]:						
No total positive income	691,967	61,851	2,364	9.3	625	\$3,274,655
\$1 under \$25,000	51,853,559	297,305	231	0.6	33,993	\$1,391,326
\$25,000 under \$50,000	36,111,731	87,381	211	0.2	10,772	\$453,207
\$50,000 under \$75,000	21,252,437	71,040	342	0.3	7,935	\$340,433
\$75,000 under \$100,000	13,630,981	57,030	207	0.4	6,175	\$305,756
\$100,000 under \$200,000	20,929,068	93,168	567	0.4	15,116	\$639,989
\$200,000 under \$500,000	6,721,305	27,803	1,849	0.4	5,176	\$406,117
\$500,000 under \$1,000,000	1,140,173	9,057	2,397	1.0	2,078	\$220,265
\$1,000,000 under \$5,000,000	511,640	8,641	2,901	2.3	2,176	\$439,824
\$5,000,000 under \$10,000,000	36,895	1,038	381	3.8	262	\$98,573
\$10,000,000 or more	23,475	1,144	471	6.9	301	\$502,185
International returns [8]	159,403	504	380	0.6	47	\$4,952
Returns with earned income tax credit [9]	27,030,382	283,767	85	1.1	35,712	\$1,261,528
Corporation income tax returns, except Form 1120-S, total [10]	1,593,567	9,348	995	0.6	3,370	\$4,024,225
Returns other than Forms 1120-C and 1120-F, by size of balance sheet assets:						
No balance sheet	292,916	1,074	170	0.4	137	\$103,882
\$1 under \$250,000	749,689	1,489	129	0.2	355	\$84,348
\$250,000 under \$1,000,000	273,141	1,635	66	0.6	540	\$85,543
\$1,000,000 under \$5,000,000	162,403	1,210	47	0.8	447	\$85,953
\$5,000,000 under \$10,000,000	30,729	250	16	0.9	105	\$75,815
\$10,000,000 under \$50,000,000	33,032	1,265	43	4.0	582	\$132,212
\$50,000,000 under \$100,000,000	6,814	595	29	9.2	351	\$44,473
\$100,000,000 under \$250,000,000	5,881	556	24	9.9	314	\$92,937
\$250,000,000 under \$500,000,000	3,100	225	55	9.3	128	\$19,802
\$500,000,000 under \$1,000,000,000	2,168	227	46	12.6	94	\$38,915
\$1,000,000,000 under \$5,000,000,000	2,492	347	126	19.0	143	\$441,559
\$5,000,000,000 under \$20,000,000,000	819	185	111	36.1	59	\$425,967
\$20,000,000,000 or more	430	117	134	58.4	36	\$2,357,164
Form 1120-C returns [11]	9,382	5	12	0.2	d	\$13,330
Form 1120-F returns [13]	20,591	122	20	0.7	62	\$22,325
Partnership returns [14]	3,905,335	3,932	904	0.1	1,603	N/A
S corporation returns [15]	4,725,684	7,253	489	0.2	2,294	N/A
Estate and trust income tax returns [16]	3,088,003	466	175	[12]	85	\$10,644
Estate tax returns [17]	32,495	2,056	8	6.4	440	\$1,265,072
Gift tax returns	235,893	566	21	0.2	295	\$117,568
Employment tax returns	31,031,897	40,192	1,079	0.1	3,006	\$1,026,143
Excise tax returns [18]	1,266,973	7,676	162	0.6	1,992	\$155,882
Other taxable returns [19]	[6]	172	7	[6]	56	\$3,818
Other nontaxable returns [20]	[6]	310	101	[6]	84	N/A

†—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 add examinations are completed. See Notes for additional detail.

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

*—Data preceded by an asterisk are values from the prior year Data Book, Table 17. Due to these relatively small changes from year to year, the actual Fiscal Year (FY) 2023 values cannot be shown in order to avoid potential disclosure about specific taxpayers. However, the returns filed counts, percentage covered, and recommended additional tax amounts shown are the actual FY 2023 values.

N/A—Not applicable.

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[2] Includes examinations that were closed as of September 30, 2023. 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. Represents a distinct count of taxpayers by tax year and form type.

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[5] No-change examinations (cases where no adjustment to tax liability is made) tend to close more quickly than examinations resulting in changes. Therefore, for recent tax years, the percentage of returns with no changes (compared to the total number of examinations closed) may appear higher than returns with no change for past years, and this rate may decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040-PR and 1040-SS, which are included in international returns (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] 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 cell above.

[10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-L (income tax return for cooperative associations); 1120-T (foreign corporation income tax return, or 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-NR (return for nuclear decommissioning trusts); 1120-PC (partnership and casualty insurance company income tax return); and 1120-SF (income tax return for settlement for

[11] Forms 1120-C are filed by cooperative associations.

[12] Less than 0.05 percent.

[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 nonresident not a citizen or the United States); 706-02 (generation-skipping transfer tax return for terminations); and 706-GS(D) (generation-skipping transfer tax return for distributions). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-GS(L)*.

[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 (regu 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 shows examination information for each of the last 9 tax years, 2013–2021. It 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 return audits 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. The percentage of audits of returns filed for relatively recent tax years may appear low because as of the end of the fiscal year, relatively few examinations had been opened or closed yet. This reflects the normal timing of the audit process; 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 2019 is the most recent year outside of the normal statute period. Going forward, the oldest tax year will no longer be updated and will 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 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]	Recommended additional tax (thousands of dollars) [6]
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	196,086,120	875,541	14,575	[6]	99,446	\$22,481,576
Individual income tax returns, total	150,447,029	786,696	11,262	0.5	80,051	\$7,973,916
Size of total positive income [7]:						
No total positive income	677,256	55,488	1,151	8.4	571	\$2,567,984
\$1 under \$25,000	52,677,494	339,869	197	0.6	33,573	\$1,598,374
\$25,000 under \$50,000	35,816,063	130,951	205	0.4	13,205	\$700,353
\$50,000 under \$75,000	20,578,233	68,532	200	0.3	5,865	\$367,934
\$75,000 under \$100,000	13,199,129	49,381	144	0.4	4,636	\$288,037
\$100,000 under \$200,000	19,755,417	86,498	483	0.4	9,353	\$609,680
\$200,000 under \$500,000	6,051,639	31,949	2,018	0.6	7,203	\$459,814
\$500,000 under \$1,000,000	1,017,244	10,816	2,841	1.3	2,740	\$257,704
\$1,000,000 under \$5,000,000	449,500	9,400	3,193	2.8	2,260	\$491,495
\$5,000,000 under \$10,000,000	31,232	1,125	324	5.1	305	\$240,184
\$10,000,000 or more	18,947	*1,081	*416	8.5	309	\$387,180
International returns [8]	174,875	*1,434	*0	0.8	21	\$5,178
Returns with earned income tax credit [9]	27,382,904	330,390	50	1.2	35,396	\$1,494,696
Corporation income tax returns, except Form 1120-S, total [10]	1,590,292	13,651	716	0.9	4,791	\$11,720,986
Returns other than Forms 1120-C and 1120-F, by size of balance sheet assets:						
No balance sheet	293,042	1,676	104	0.6	267	\$165,950
\$1 under \$250,000	749,020	2,915	83	0.4	876	\$120,891
\$250,000 under \$1,000,000	277,107	2,571	63	1.0	872	\$132,126
\$1,000,000 under \$5,000,000	159,321	1,363	44	0.9	466	\$120,733
\$5,000,000 under \$10,000,000	30,136	402	11	1.4	192	\$38,648
\$10,000,000 under \$50,000,000	31,895	1,531	32	4.9	686	\$98,022
\$50,000,000 under \$100,000,000	6,535	665	10	10.3	359	\$79,832
\$100,000,000 under \$250,000,000	5,669	627	22	11.4	328	\$107,650
\$250,000,000 under \$500,000,000	3,091	374	35	13.2	177	\$66,375
\$500,000,000 under \$1,000,000,000	2,104	345	32	17.9	122	\$80,999
\$1,000,000,000 under \$5,000,000,000	2,439	509	110	27.0	196	\$388,886
\$5,000,000,000 under \$20,000,000,000	768	245	77	43.9	86	\$485,668
\$20,000,000,000 or more	410	174	80	62.0	57	\$9,808,155
Form 1120-C returns [11]	9,495	*19	*4	0.2	d	\$6,529
Form 1120-F returns [13]	19,270	*165	*21	1.0	79	\$20,521
Partnership returns [14]	3,763,117	6,892	930	0.2	3,043	N/A
S corporation returns [15]	4,592,042	9,838	456	0.2	3,298	N/A
Estate and trust income tax returns [16]	3,094,966	444	228	[12]	120	\$64,953
Estate tax returns [17]	34,320	2,715	12	8.1	552	\$1,382,076
Gift tax returns	239,785	1,920	29	0.8	988	\$358,621
Employment tax returns	31,082,200	43,700	696	0.1	4,118	\$809,809
Excise tax returns [18]	1,242,369	9,185	124	0.7	2,382	\$160,904
Other taxable returns [19]	[6]	179	3	[6]	22	\$10,311
Other nontaxable returns [20]	[6]	185	140	[6]	65	N/A

†—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 add examinations are completed. See Notes for additional detail.

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

*—Data preceded by an asterisk are values from the prior year Data Book, Table 17. Due to these relatively small changes from year to year, the actual Fiscal Year (FY) 2023 values cannot be shown in order to avoid potential disclosure about specific taxpayers. However, the returns filed counts, percentage covered, and recommended additional tax amounts shown are the actual FY 2023 values.

N/A—Not applicable.

[1] The total number of returns filed for each tax year is derived from multiple sources. Therefore, some counts may change year to year while others will not. The return counts for individual, corp (except for 1120-C), partnership, and alt tax returns are from official published IRS statistics; these counts will not change over time. The return counts for 1120-C, estate and trust income, and

[2] Includes examinations that were closed as of September 30, 2023. 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. Represents a distinct count of taxpayers by 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 return 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 to tax liability is made) tend to close more quickly than examinations resulting in changes. Therefore, for recent tax years, the percentage of returns with no changes (compared to the total number of examinations closed) may appear higher than returns with no change for past years, and this rate may decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040-PR and 1040-SS, which are included in international returns (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] 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 claim above.

[10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-L (income tax return for cooperative associations); 1120-T (foreign corporation income tax return), (b) 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-NR (return for nuclear decommissioning trusts); 1120-PC (partnership and casualty insurance company income tax return); and 1120-SF (income tax return for settlement for

[11] Forms 1120-C are filed by cooperative associations.

[12] Less than 0.05 percent.

[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: (a) (estate and generation-skipping transfer tax return); (b) (estate tax return) or nonresident not a citizen or the United States); (c) (generation-skipping transfer tax return for terminations); and 706-GS(D) (generation-skipping transfer tax return for distributions). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-GS(L).†

[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 (regu 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-C-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 shows examination information for each of the last 9 tax years, 2013–2021. It 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 return audits 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. The percentage of audits of returns filed for relatively recent tax years may appear low because as of the end of the fiscal year, relatively few examinations had been opened or closed yet. This reflects the normal timing of the audit process; 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 2019 is the most recent year outside of the normal statute period. Going forward, the oldest tax year will no longer be updated and will 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 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]	Recommended additional tax (thousands of dollars)
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	195,727,859	962,187	8,281	0.6	100,085	\$24,687,880
Individual income tax returns, total	150,675,111	870,595	6,040	0.6	80,649	\$8,446,466
Size of total positive income [7]:						
No total positive income	694,606	47,910	637	7.0	665	\$2,037,005
\$1 under \$25,000	54,053,915	357,806	140	0.7	30,039	\$1,766,313
\$25,000 under \$50,000	35,552,228	142,073	130	0.4	11,082	\$785,035
\$50,000 under \$75,000	20,264,175	108,548	142	0.5	8,240	\$492,607
\$75,000 under \$100,000	13,055,089	64,625	115	0.5	6,271	\$346,590
\$100,000 under \$200,000	19,459,447	92,885	323	0.5	11,894	\$659,570
\$200,000 under \$500,000	5,884,773	32,189	967	0.6	6,241	\$470,317
\$500,000 under \$1,000,000	1,011,282	10,889	1,319	1.2	2,892	\$281,653
\$1,000,000 under \$5,000,000	462,824	10,236	1,670	2.6	2,519	\$640,925
\$5,000,000 under \$10,000,000	33,774	1,378	296	5.0	345	\$145,113
\$10,000,000 or more	21,149	*1,637	*301	9.2	438	\$820,784
International returns [8]	181,849	*419	*0	0.2	17	\$554
Returns with earned income tax credit [9]	28,081,708	329,032	12	1.2	30,014	\$1,580,319
Corporation income tax returns, except Form 1120-S, total [10]	1,626,264	15,084	540	1.0	4,952	\$14,042,491
Returns other than Forms 1120-C and 1120-F, by size of balance sheet assets:						
No balance sheet	288,630	1,761	68	0.6	261	\$131,121
\$1 under \$250,000	788,271	3,073	72	0.4	828	\$117,794
\$250,000 under \$1,000,000	281,342	2,687	43	1.0	853	\$112,983
\$1,000,000 under \$5,000,000	158,355	1,231	22	0.8	*350	\$86,937
\$5,000,000 under \$10,000,000	29,524	325	16	1.2	*98	\$26,391
\$10,000,000 under \$50,000,000	30,944	1,879	20	6.1	858	\$138,643
\$50,000,000 under \$100,000,000	6,433	930	9	14.6	484	\$157,887
\$100,000,000 under \$250,000,000	5,672	801	27	15.0	386	\$171,605
\$250,000,000 under \$500,000,000	3,127	521	32	17.7	232	\$98,069
\$500,000,000 under \$1,000,000,000	2,068	408	27	21.0	135	\$115,353
\$1,000,000,000 under \$5,000,000,000	2,397	536	84	28.9	179	\$522,042
\$5,000,000,000 under \$20,000,000,000	770	259	60	43.6	55	\$1,198,738
\$20,000,000,000 or more	398	215	53	67.3	42	\$11,107,777
Form 1120-C returns [11]	9,526	28	0	0.3	5	\$4,376
Form 1120-F returns [13]	18,817	294	21	1.7	167	\$52,773
Partnership returns [14]	3,715,187	7,903	511	0.2	3,240	N/A
S corporation returns [15]	4,487,336	9,649	300	0.2	2,702	N/A
Estate and trust income tax returns [16]	3,113,987	672	203	[12]	122	\$70,177
Estate tax returns [17]	35,274	2,850	10	8.2	527	\$684,842
Gift tax returns	242,585	1,394	23	0.6	533	\$399,174
Employment tax returns	30,590,977	40,857	513	0.1	3,907	\$827,373
Excise tax returns [18]	1,241,138	12,555	71	1.0	3,293	\$210,355
Other taxable returns [19]	[6]	232	5	[6]	*19	\$7,002
Other nontaxable returns [20]	[6]	366	76	[6]	*141	N/A

*—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 add examinations are completed. See Notes for additional detail.

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

*—Data preceded by an asterisk are values from the prior year Data Book, Table 17. Due to these relatively small changes from year to year, the actual Fiscal Year (FY) 2023 values cannot be shown in order to avoid potential disclosure about specific taxpayers. However, the returns filed counts, percentage covered, and recommended additional tax amounts shown are the actual FY 2023 values.

N/A—Not applicable.

[1] The total number of returns filed for each tax year is derived from multiple sources. Therefore, some counts may change year to year while others will not. The return counts for individual, corp (except for 1120-C), partnership, and alt tax returns are from official published IRS statistics; these counts will not change over time. The return counts for 1120-C, estate and trust income, and

[2] Includes examinations that were closed as of September 30, 2023. 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. Represents a distinct count of taxpayers by 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 return 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 to tax liability is made) tend to close more quickly than examinations resulting in changes. Therefore, for recent tax years, the percentage of returns with no changes (compared to the total number of examinations closed) may appear higher than returns with no change for past years, and this rate may decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040-PR and 1040-SS, which are included in international returns (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] 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 cell above.

[10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-L (income tax return for cooperative associations); 1120-T (foreign corporation income tax return), (b) 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-NR (return for nuclear decommissioning funds); 1120-PC (partnership and casualty insurance company income tax return); and 1120-SF (income tax return for settlement for

[11] Forms 1120-C are filed by cooperative associations.

[12] Less than 0.05 percent.

[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: (a) (estate and generation-skipping transfer tax return); (b) (estate tax return) or nonresident not a citizen or the United States); (c) (generation-skipping transfer tax return for terminations); and 706-GS(D) (generation-skipping transfer tax return for distributions). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-GS(L)*.

[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 (regu 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-C-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]	Recommended additional tax (thousands of dollars) [6]
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	193,714,195	967,925	5,262	0.6	103,761	\$23,833,775
Individual income tax returns, total	148,796,860	864,886	3,939	0.6	80,180	\$8,637,601
Size of total positive income [7]:						
No total positive income	653,832	58,075	438	8.9	1,011	\$2,332,070
\$1 under \$25,000	54,883,084	390,862	90	0.7	32,348	\$1,964,835
\$25,000 under \$50,000	35,052,633	147,866	82	0.4	11,455	\$873,713
\$50,000 under \$75,000	19,641,122	82,867	88	0.4	8,297	\$504,524
\$75,000 under \$100,000	13,079,844	49,769	82	0.4	5,795	\$293,314
\$100,000 under \$200,000	18,437,294	73,896	246	0.4	9,638	\$596,818
\$200,000 under \$500,000	5,423,436	29,839	587	0.6	5,987	\$409,808
\$500,000 under \$1,000,000	953,500	9,980	835	1.1	2,445	\$273,424
\$1,000,000 under \$5,000,000	431,033	10,255	1,106	2.6	2,191	\$591,012
\$5,000,000 under \$10,000,000	31,353	1,494	191	5.4	364	\$180,027
\$10,000,000 or more	19,447	1,695	186	9.7	*347	\$596,990
International returns [8]	190,282	8,288	8	4.4	*298	\$21,067
Returns with earned income tax credit [9]	28,537,908	360,503	14	1.3	32,473	\$1,706,752
Corporation income tax returns, except Form 1120-S, total [10]	1,616,357	16,933	332	1.1	5,578	\$12,239,353
Returns other than Forms 1120-C and 1120-F, by size of balance sheet assets:						
No balance sheet	277,491	2,154	66	0.8	342	\$181,761
\$1 under \$250,000	795,409	3,963	47	0.5	1,127	\$174,147
\$250,000 under \$1,000,000	281,525	2,903	27	1.0	1,005	\$110,288
\$1,000,000 under \$5,000,000	156,112	1,435	11	0.9	469	\$120,852
\$5,000,000 under \$10,000,000	27,967	477	10	1.7	*198	\$25,103
\$10,000,000 under \$50,000,000	29,854	1,572	14	5.3	648	\$126,558
\$50,000,000 under \$100,000,000	6,289	895	7	14.4	*467	\$66,980
\$100,000,000 under \$250,000,000	5,635	914	12	16.4	450	\$177,701
\$250,000,000 under \$500,000,000	3,107	559	17	18.5	*235	\$103,417
\$500,000,000 under \$1,000,000,000	2,025	430	21	22.4	*144	\$116,429
\$1,000,000,000 under \$5,000,000,000	2,365	659	57	31.1	186	\$819,876
\$5,000,000,000 under \$20,000,000,000	751	311	42	47.5	73	\$1,734,820
\$20,000,000,000 or more	382	219	44	69.9	*38	\$8,433,921
Form 1120-C returns [11]	9,202	*29	*0	0.3		\$14,356
Form 1120-F returns [13]	18,043	*315	*25	1.9	*180	\$33,143
Partnership returns [14]	3,611,255	10,068	316	0.3	4,567	N/A
S corporation returns [15]	4,380,125	11,907	164	0.3	3,559	N/A
Estate and trust income tax returns [16]	3,130,570	818	197	[12]	109	\$49,301
Estate tax returns [17]	34,794	2,954	0	8.5	613	\$1,156,884
Gift tax returns	238,935	1,522	23	0.6	595	\$558,433
Employment tax returns	30,693,066	44,066	190	0.1	5,145	\$976,155
Excise tax returns [18]	1,212,233	14,191	40	1.2	3,264	\$203,056
Other taxable returns [19]	[6]	*197	*6	[6]	*18	\$12,991
Other nontaxable returns [20]	[6]	*360	*75	[6]	*130	N/A

*—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 add examinations are completed. See Notes for additional detail.

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

*—Data preceded by an asterisk are values from the prior year Data Book, Table 17. Due to these relatively small changes from year to year, the actual Fiscal Year (FY) 2023 values cannot be shown in order to avoid potential disclosure about specific taxpayers. However, the returns filed counts, percentage covered, and recommended additional tax amounts shown are the actual FY 2023 values.

N/A—Not applicable.

[1] The total number of returns filed for each tax year is derived from multiple sources. Therefore, some counts may change year to year while others will not. The return counts for individual, corp (except for 1120-C), partnership, and alt tax returns are from official published IRS statistics; these counts will not change over time. The return counts for 1120-C, estate and trust income, and

[2] Includes examinations that were closed as of September 30, 2023. 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. Represents a distinct count of taxpayers by 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 return 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 to tax liability is made) tend to close more quickly than examinations resulting in changes. Therefore, for recent tax years, the percentage of returns with no changes (compared to the total number of examinations closed) may appear higher than returns with no change for past years, and this rate may decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040-PR and 1040-SS, which are included in international returns (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] 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 cell above.

[10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-L (income tax return for cooperative associations); 1120-T (foreign corporation income tax return), (b) 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-NR (return for nuclear decommissioning benefit); 1120-PC (partnership and casualty insurance company income tax return); and 1120-SF (income tax return for settlement for

[11] Forms 1120-C are filed by cooperative associations.

[12] Less than 0.05 percent.

[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: (a) (estate and generation-skipping transfer tax return); (b) (estate tax return) or nonresident not a citizen or the United States); (c) (generational skipping transfer tax return for terminations); and 706-GS(D) (generation-skipping transfer tax return for distributions). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-GS(L)*.

[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 (regu 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 shows examination information for each of the last 9 tax years, 2013–2021. It 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 return audits 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. The percentage of audits of returns filed for relatively recent tax years may appear low because as of the end of the fiscal year, relatively few examinations had been opened or closed yet. This reflects the normal timing of the audit process; 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 2019 is the most recent year outside of the normal statute period. Going forward, the oldest tax year will no longer be updated and will 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 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]	Recommended additional tax (thousands of dollars) [6]
		Closed [2]	In process [3]	Percentage covered [4]		
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total	191,867,479	1,060,898	3,179	0.6	125,789	\$24,963,902
Individual income tax returns, total	147,552,433	953,076	2,256	0.6	99,697	\$9,039,770
Size of total positive income [7]:						
No total positive income	612,213	81,472	262	13.4	952	\$2,661,722
\$1 under \$25,000	56,100,370	464,791	81	0.8	38,493	\$2,196,047
\$25,000 under \$50,000	34,699,278	121,816	70	0.4	10,773	\$694,328
\$50,000 under \$75,000	19,498,974	63,494	258	0.3	7,019	\$342,864
\$75,000 under \$100,000	12,768,455	52,840	76	0.4	7,498	\$310,923
\$100,000 under \$200,000	17,486,970	90,165	235	0.5	17,656	\$85,228
\$200,000 under \$500,000	4,935,434	40,146	342	0.8	10,987	\$702,778
\$500,000 under \$1,000,000	837,779	11,626	381	1.4	3,139	\$292,707
\$1,000,000 under \$5,000,000	371,171	10,557	516	3.0	2,201	\$539,660
\$5,000,000 under \$10,000,000	25,504	1,495	92	6.2	331	\$152,235
\$10,000,000 or more	15,151	1,693	120	12.0	446	\$533,645
International returns [8]	201,134	12,796	4	6.4	*169	\$27,633
Returns with earned income tax credit [9]	28,821,785	425,598	6	1.5	*38,156	\$1,944,509
Corporation income tax returns, except Form 1120-S, total [10]	1,625,306	19,083	232	1.2	6,426	\$13,763,924
Returns other than Forms 1120-C and 1120-F, by size of balance sheet assets:						
No balance sheet	279,688	2,573	45	0.9	522	\$115,223
\$1 under \$250,000	805,528	5,835	43	0.7	*2,054	\$183,851
\$250,000 under \$1,000,000	285,537	2,917	20	1.0	*1,024	\$100,636
\$1,000,000 under \$5,000,000	152,321	1,599	18	1.1	*529	\$76,656
\$5,000,000 under \$10,000,000	27,280	370	7	1.4	137	\$43,232
\$10,000,000 under \$50,000,000	28,786	1,563	8	5.5	*607	\$128,401
\$50,000,000 under \$100,000,000	6,053	781	7	13.2	*379	\$367,814
\$100,000,000 under \$250,000,000	5,523	804	17	14.9	*345	\$86,693
\$250,000,000 under \$500,000,000	3,008	559	11	19.0	*230	\$1,493,196
\$500,000,000 under \$1,000,000,000	1,920	*423	*12	22.9	*132	\$140,157
\$1,000,000,000 under \$5,000,000,000	2,287	661	27	30.1	*169	\$1,244,128
\$5,000,000,000 under \$20,000,000,000	704	332	18	49.7	*64	\$3,026,980
\$20,000,000,000 or more	371	245	30	73.9	35	\$6,651,578
Form 1120-C returns [11]	9,351	*29	*0	0.3	d	\$14,441
Form 1120-F returns [13]	16,949	328	11	2.0	*181	\$90,939
Partnership returns [14]	3,460,699	10,291	172	0.3	4,708	N/A
S corporation returns [15]	4,257,909	14,718	119	0.3	4,834	N/A
Estate and trust income tax returns [16]	3,156,606	1,661	160	0.1	665	\$47,232
Estate tax returns [17]	34,369	2,506	0	7.3	508	\$831,173
Gift tax returns	265,273	905	20	0.3	291	\$207,871
Employment tax returns	30,331,258	43,982	144	0.1	4,989	\$877,349
Excise tax returns [18]	1,183,626	13,564	28	1.1	3,345	\$176,978
Other taxable returns [19]	[6]	*387	*0	[6]	40	\$19,605
Other nontaxable returns [20]	[6]	*725	*48	[6]	280	N/A

*—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 add examinations are completed. See Notes for additional detail.

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

*—Data preceded by an asterisk are values from the prior year Data Book, Table 17. Due to these relatively small changes from year to year, the actual Fiscal Year (FY) 2023 values cannot be shown in order to avoid potential disclosure about specific taxpayers. However, the returns filed counts, percentage covered, and recommended additional tax amounts shown are the actual FY 2023 values.

N/A—Not applicable.

[1] The total number of returns filed for each tax year is derived from multiple sources. Therefore, some counts may change year to year while others will not. The return counts for individual, corp (except for 1120-C), partnership, and alt tax returns are from official published IRS statistics; these counts will not change over time. The return counts for 1120-C, estate and trust income, and

[2] Includes examinations that were closed as of September 30, 2023. 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. Represents a distinct count of taxpayers by 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 return 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 to tax liability is made) tend to close more quickly than examinations resulting in changes. Therefore, for recent tax years, the percentage of returns with no changes (compared to the total number of examinations closed) may appear higher than returns with no change for past years, and this rate may decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040-PR and 1040-SS, which are included in international returns (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] 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 cell above.

[10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-L (income tax return for cooperative associations); 1120-T (foreign corporation income tax return); 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-NR (return for nuclear decommissioning funds); 1120-PC (partnership and casualty insurance company income tax return); and 1120-SF (income tax return for settlement for

[11] Forms 1120-C are filed by cooperative associations.

[12] Less than 0.05 percent.

[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 nonresident not a citizen or the United States); 706-03(1) (generation-skipping transfer tax return for terminations); and 706-GS(D) (generation-skipping transfer tax return for distributions). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-GS(D-1).

[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 (regu 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 shows examination information for each of the last 9 tax years, 2013–2021. It 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 return audits 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. The percentage of audits of returns filed for relatively recent tax years may appear low because as of the end of the fiscal year, relatively few examinations had been opened or closed yet. This reflects the normal timing of the audit process; 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 2019 is the most recent year outside of the normal statute period. Going forward, the oldest tax year will no longer be updated and will 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]	Recommended additional tax (thousands of dollars) [6]
		Closed [2]	In process [3]	Percentage covered [4]		
All returns, total	189,012,280	1,298,797	7,208	0.8	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	137,896	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 [9]	27,848,264	510,150	25	1.8	*53,571	\$2,022,277
Corporation income tax returns, except Form 1120-S, total [10]	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 \$25,000	768,252	6,634	108	0.9	*2,280	\$216,815
\$25,000 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 [11]	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

*—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 add examinations are completed. See Notes for additional detail.

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

*—Data preceded by an asterisk are values from the prior year Data Book, Table 17. Due to these relatively small changes from year to year, the actual Fiscal Year (FY) 2023 values cannot be shown in order to avoid potential disclosure about specific taxpayers. However, the returns filed counts, percentage covered, and recommended additional tax amounts shown are the actual FY 2023 values.

N/A—Not applicable.

[1] The total number of returns filed for each tax year is derived from multiple sources. Therefore, some counts may change year to year while others will not. The return counts for individual, corp (except for 1120-C), partnership, and alt tax returns are from official published IRS statistics; these counts will not change over time. The return counts for 1120-C, estate and trust income, and

[2] Includes examinations that were closed as of September 30, 2023. 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. Represents a distinct count of taxpayers by 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 return 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.

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[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040-PR and 1040-SS, which are included in international returns (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] 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 cell above.

[10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-L (income tax return for cooperative associations); 1120-T (foreign corporation income tax return), (b) 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-NR (return for nuclear decommissioning funds); 1120-PC (partnership and casualty insurance company income tax return); and 1120-SF (income tax return for settlement for

[11] Forms 1120-C are filed by cooperative associations.

[12] Less than 0.05 percent.

[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: (a) (estate and generation-skipping transfer tax return); (b) (estate tax return) or nonresidents not a citizen or the United States); (c) (b) (generation-skipping transfer tax return for terminations); and 706-GS(D) (generation-skipping transfer tax return for distributions). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-GS(L)*.

[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 (regu 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 shows examination information for each of the last 9 tax years, 2013–2021. It 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 return audits 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. The percentage of audits of returns filed for relatively recent tax years may appear low because as of the end of the fiscal year, relatively few examinations had been opened or closed yet. This reflects the normal timing of the audit process; 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 2019 is the most recent year outside of the normal statute period. Going forward, the oldest tax year will no longer be updated and will 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 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]	Recommended additional tax (thousands of dollars) [6]
		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	\$64,185
\$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 [9]	27,911,726	493,705	14	1.8	38,939	\$2,183,813
Corporation income tax returns, except Form 1120-S, total [10]	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 [11]	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

*—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 add examinations are completed. See Notes for additional detail.

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

*—Data preceded by an asterisk are values from the prior year Data Book, Table 17. Due to these relatively small changes from year to year, the actual Fiscal Year (FY) 2023 values cannot be shown in order to avoid potential disclosure about specific taxpayers. However, the returns filed counts, percentage covered, and recommended additional tax amounts shown are the actual FY 2023 values.

N/A—Not applicable.

[1] The total number of returns filed for each tax year is derived from multiple sources. Therefore, some counts may change year to year while others will not. The return counts for individual, corp (except for 1120-C), partnership, and alt tax returns are from official published IRS statistics; these counts will not change over time. The return counts for 1120-C, estate and trust income, and

[2] Includes examinations that were closed as of September 30, 2023. 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. Represents a distinct count of taxpayers by 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 return 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 to tax liability is made) tend to close more quickly than examinations resulting in changes. Therefore, for recent tax years, the percentage of returns with no changes (compared to the total number of examinations closed) may appear higher than returns with no change for past years, and this rate may decrease over time as more examinations are closed.

[6] Not tabulated.

[7] Includes all Form 1040 series returns, except 1040-PR and 1040-SS, which are included in international returns (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] 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 cell above.

[10] Includes the Form 1120 series as follows: 1120 (corporation income tax return); 1120-L (income tax return for cooperative associations); 1120-T (foreign corporation income tax return), (b) 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-NR (return for nuclear decommissioning funds); 1120-PC (partnership and casualty insurance company income tax return); and 1120-SF (income tax return for settlement for

[11] Forms 1120-C are filed by cooperative associations.

[12] Less than 0.05 percent.

[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 1041 series as follows: (a) (estate and generation-skipping transfer tax return); (b) (estate tax return) or nonresidents not a citizen of the United States); (c) (b) (generation-skipping transfer tax return for terminations); and 706-GS(D) (generation-skipping transfer tax return for distributions). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-GS(L)*.

[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 (regu 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-C-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 shows examination information for each of the last 9 tax years, 2013–2021. It 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 return audits 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. The percentage of audits of returns filed for relatively recent tax years may appear low because as of the end of the fiscal year, relatively few examinations had been opened or closed yet. This reflects the normal timing of the audit process; 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 2019 is the most recent year outside of the normal statute period. Going forward, the oldest tax year will no longer be updated and will 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]	Recommended additional tax (thousands of dollars) [6]
		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 [9]	27,367,757	496,277	11	1.8	34,125	\$2,119,652
Corporation income tax returns, except Form 1120-S, total [10]	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	*920	\$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 [11]	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

†—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 add examinations are completed. See Notes for additional detail.

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[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). Form 706-GS(T) and Form 706-GS(D) calculations are based on the tax year they are filed and do not include Form 706-GS(D-1).

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