Federal Income Tax Statistics - Iowa Taxpayers

**ISSUE**

The federal Internal Revenue Service (IRS) produces annual statistics aggregating the individual income tax filings of all taxpayers in each state during a given calendar year. This Issue Review provides a summation and analysis of the IRS information for Iowa tax returns filed for tax year 2013, with comparisons to the same data for all federal income tax filers and to tax returns filed by taxpayers in surrounding states. A breakdown of Iowa federal income tax return statistics by Adjusted Gross Income (AGI) category is also provided.

**BACKGROUND — IOWA POPULATION AND IOWA FEDERAL TAX RETURNS**

The following information is displayed in Table 1A below.

According to 2013 United States Census Bureau estimates of Iowa and U.S. populations, Iowa represents 0.98% of the national population.

Based on IRS statistics reporting the number of Iowa and U.S. tax returns filed during calendar year 2014 (tax year 2013 returns), Iowa represents 0.98% of the national total of federal individual income tax returns.

Given the 0.98% Iowa share of U.S. population and the 0.98% Iowa share of U.S. tax returns, this relationship is used in the following analysis to categorize Iowa taxpayers as either over-represented in the U.S. population for a particular tax item if the Iowa percentage exceeds 0.98%, or under represented if the percentage is less than 0.98%.

<table>
<thead>
<tr>
<th>Population (2013 Census Estimate)</th>
<th>Iowa 3,090,416</th>
<th>U.S. 316,128,839</th>
<th>Iowa % of U.S. 0.98%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returns</td>
<td>1,434,630</td>
<td>146,542,510</td>
<td>0.98%</td>
</tr>
<tr>
<td>Tax Exemptions</td>
<td>2,807,370</td>
<td>288,734,990</td>
<td>0.97%</td>
</tr>
<tr>
<td>Dependents</td>
<td>868,950</td>
<td>97,496,700</td>
<td>0.89%</td>
</tr>
<tr>
<td>Farm Returns (Schedule F)</td>
<td>80,980</td>
<td>1,881,440</td>
<td>4.30%</td>
</tr>
</tbody>
</table>

1 The IRS data files represent tax returns filed during calendar year 2014. While some returns for tax years prior to 2013 will be part of this dataset, the vast majority of the returns represent 2013 filings.
BACKGROUND — ADDITIONAL RETURN STATISTICS

The following information is displayed in Table 1A on the previous page.

**Tax Exemptions** refer to the number of people represented through the tax return as either taxpayers (single taxpayers or two married taxpayers) or dependents of the taxpayer(s). Exemptions represent the combination of lines 6a, 6b, and 6c of the federal 1040 form.² The number of exemptions appearing on Iowa tax returns was 0.97% of the U.S. total, a percentage just below the 0.98% Iowa share of all federal tax returns.

The number of **Dependents** (exemptions line 6c only) claimed on Iowa federal tax returns was 0.89% of the U.S. total, indicating that Iowa tax returns claim about 9.0% fewer dependents than the U.S. average. For comparison, the 2013 Census Bureau Iowa and U.S. population estimates indicate that Iowans age 19 and under represent 0.99% of the U.S. population in that age group.

**Farm Returns** represent the number of tax returns that contained as part of the filing, a federal tax Schedule F. Not surprisingly, Iowa is overrepresented when it comes to filing of farm returns (federal Schedule F), with Iowa returns representing 4.3% of all U.S. farm returns filed.³

FEDERAL RETURN ANALYSIS – ADJUSTED GROSS INCOME

<table>
<thead>
<tr>
<th>Income Items</th>
<th>Iowa</th>
<th>% of IA</th>
<th>U.S. Total</th>
<th>% of U.S. Total</th>
<th>Iowa % of U.S. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages &amp; Salaries</td>
<td>$57,678</td>
<td>70.4%</td>
<td>$6,450,671</td>
<td>71.2%</td>
<td>0.89%</td>
</tr>
<tr>
<td>Taxed Interest &amp; Dividends</td>
<td>2,209</td>
<td>2.7%</td>
<td>310,436</td>
<td>3.4%</td>
<td>0.71%</td>
</tr>
<tr>
<td>Capital Gains/Schedules E &amp; C</td>
<td>9,741</td>
<td>11.9%</td>
<td>1,327,342</td>
<td>14.7%</td>
<td>0.73%</td>
</tr>
<tr>
<td>Taxed Pensions, IRA, Social Security</td>
<td>9,974</td>
<td>12.2%</td>
<td>1,083,622</td>
<td>12.0%</td>
<td>0.92%</td>
</tr>
<tr>
<td>Other Income</td>
<td>3,972</td>
<td>4.8%</td>
<td>21,807</td>
<td>0.2%</td>
<td>18.21%</td>
</tr>
<tr>
<td>Adjustments to Gross Income</td>
<td>-1,646</td>
<td>-2.0%</td>
<td>-138,454</td>
<td>-1.5%</td>
<td>1.19%</td>
</tr>
<tr>
<td>Adjusted Gross Income (AGI)</td>
<td>$81,928</td>
<td>100.0%</td>
<td>$9,055,424</td>
<td>100.0%</td>
<td>0.90%</td>
</tr>
</tbody>
</table>

The following information is displayed in Table 1B above.

**Wages and Salaries** represent income reported on line 7 of the 2013 federal 1040 form. Iowa reported a total of $57.678 billion in wage and salary income. This amount is 0.89% of such income reported on all U.S. returns for the period. An average Iowa federal income tax return reported $40,204 in wage and salary income, versus a national average of $44,019.

**Taxed Interest and Dividends** represent the combination of lines 8a and 9a of the federal 1040 form. Iowa tax returns show 0.71% of the U.S. total, considerably below 0.98%. While Iowa is closer to the U.S. average at 0.89% for taxed interest, the percentage for ordinary and qualified dividends calculates to 0.64% indicating that Iowa taxpayers receive only about two-thirds as much dividend income as the average U.S. taxpayer.

² For reference, a copy of the 2013 Federal Income Tax Form 1040 is attached.
³ Iowa’s 4.3% of U.S. farm returns ranks third behind Texas (12.5%) and Missouri (5.1%).
Capital Gains, Business, and Rental income (or loss) represents the combination of lines 12, 13, and 17 of the federal 1040 form. The three items are:

- Schedule D, Capital Gains – The gain or loss from the sale of an asset subject to capital gains taxation.
- Schedule E – Supplemental income or loss from rents and royalties as well as business income from subchapter S (sub-S), partnerships, and similar business arrangements where the income flows through the individual income tax form.
- Schedule C – Income or loss from a business (sole proprietorship).

Although this line includes investment and business income, it does not include most farm income or farm losses. Farm business income is reported by the taxpayer on a Schedule F and that information is not itemized in the IRS dataset and is included instead as part of the “Other Income” calculations.

Iowa taxpayers were well below average at 0.73% of the national amount for this group of items. Of the three categories, Iowa tax returns showed a particularly low 0.56% of U.S. capital gains.

Taxed Pension, Individual Retirement Account (IRA), and Social Security income is the combination of lines 15b, 16b, and 20b of the federal 1040 form. These three items represent income from retirement arrangements, including the taxable portion of Social Security payments. Iowa tax returns reported 0.92% of the national total. Among the three items, Iowa tax returns reported an above-average 1.16% of all taxed Social Security income, but lagged in pension income (0.84%) and IRA income (0.90%). Social Security and retirement income is generally received by older persons. According to the 2013 U.S. Census Bureau estimates, Iowa’s population aged 65 and older equals 1.08% of the federal population in that age range.

The Other Income category is the combination of the following lines from the federal 1040 form:

- Line 10 – Taxable refunds of state and local taxes
- Line 11 – Alimony received
- Line 14 – Other gains
- Line 18 – Farm income
- Line 19 – Unemployment compensation
- Line 21 – Other income

At 18.21%, Iowa taxpayers are significantly overrepresented in the income category of Other Income. This is likely due to the farm income component of Other Income.

Adjustments to Gross Income include lines 23 through 35 of the federal 1040 form. The adjustments all subtract from gross income. The specific lines include:

- Line 23 – Educator expenses
- Line 24 – Certain business and other expenses
- Line 25 – Health Savings Account deduction
- Line 26 – Moving expenses
- Line 27 – Deductible portion of self-employment tax
- Line 28 – Self-employment SEP, SIMPLE, and qualified plans
- Line 29 – Self-employment health insurance deduction
- Line 30 – Penalty for early withdrawal of savings
- Line 31a – Alimony paid
- Line 32 – IRA deduction
- Line 33 – Student loan interest deduction
- Line 34 – Tuition and fees
- Line 35 – Domestic production activities deduction
Adjusted Gross Income (AGI) is line 37 of the federal 1040 form and it represents gross income minus adjustments to gross income.

**FEDERAL RETURN ANALYSIS — TAXED INCOME AND TAX LIABILITY**

<table>
<thead>
<tr>
<th>Table 1C - Income Subject to Tax and Tax Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Millions of Dollars</td>
</tr>
<tr>
<td>Iowa</td>
</tr>
<tr>
<td>Adjusted Gross Income (AGI)</td>
</tr>
<tr>
<td>Standard &amp; Itemized Deductions Plus Personal Exemptions</td>
</tr>
<tr>
<td>Taxed Income</td>
</tr>
<tr>
<td>Income Tax Liability</td>
</tr>
<tr>
<td>Average Tax Liability Before Credits as a % of AGI</td>
</tr>
</tbody>
</table>

The following information is displayed in Table 1C above.

**Standard and Itemized Deductions Plus Personal Exemptions** is line 40 of the federal 1040 form plus line 42. For tax year 2013, the federal standard deduction was $6,100 for single filers and $12,200 for married joint filers. The value of each claimed exemption (line 6d of the tax form) was $3,900.4 For tax year 2013, 29.9% of Iowa tax returns utilized itemized deductions, slightly below the U.S. usage of 30.4%.

**Taxed Income** is the amount of income that is subject to federal income tax. This is equal to AGI minus the standard or itemized deduction and minus the value of claimed exemptions. Iowa taxed income equaled 0.89% of U.S. taxed income.

**Income Tax Liability** is found on line 46 of the 2013 federal form and the amount includes any federal Alternative Minimum Tax owed. The income tax liability total of all Iowa federal taxpayers was $10.100 billion, an amount equal to 0.78% of the total for all U.S. income taxpayers. For Iowa taxpayers, the Alternative Minimum Tax accounted for $146.2 million (1.4%) of total Iowa federal income tax liability.

Based on the taxed income and income tax liability figures, the average income tax rate for Iowa was 12.3% of adjusted gross income compared to the national average of 14.3%. Some tax liability is met through the use of refundable and nonrefundable income tax credits. The use of tax credits (discussed on the following page) reduces ultimate income tax liability and the average effective income tax rate.

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4 The total amount of all standard and itemized deductions plus personal exemptions is calculated by subtracting taxable income (line 43) from AGI (line 37). Since taxable income cannot go below $0 on a tax return, the numbers presented here represent the value that actually benefits the taxpayer and does not include any value that is in excess of AGI on tax returns.
Table 1D - Tax Credit Impact on Tax Liability

<table>
<thead>
<tr>
<th></th>
<th>Iowa</th>
<th>U.S.</th>
<th>Iowa % of U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax Liability</td>
<td>$10,100</td>
<td>$1,291,067</td>
<td>0.78%</td>
</tr>
<tr>
<td>Child Tax Credits</td>
<td>-578</td>
<td>-57,899</td>
<td>1.00%</td>
</tr>
<tr>
<td>Education Credits</td>
<td>-195</td>
<td>-19,587</td>
<td>1.00%</td>
</tr>
<tr>
<td>Earned Income Tax Credit</td>
<td>-473</td>
<td>-67,277</td>
<td>0.70%</td>
</tr>
<tr>
<td>Other Tax Credits &amp; Adjustment</td>
<td>-124</td>
<td>-21,326</td>
<td>0.58%</td>
</tr>
<tr>
<td>Total Tax Credits</td>
<td>-1,370</td>
<td>-166,089</td>
<td>0.82%</td>
</tr>
<tr>
<td>Total Income Tax Liability After Tax Credits</td>
<td>$8,730</td>
<td>$1,124,978</td>
<td>0.78%</td>
</tr>
<tr>
<td>Final Tax Liability as a % of AGI</td>
<td>10.7%</td>
<td>12.4%</td>
<td></td>
</tr>
</tbody>
</table>

The following information is displayed in Table 1D above.

For tax year 2013, federal income tax liability of all Iowa taxpayers totaled $10.100 billion. Of that amount, $1.370 billion (13.6%) was met not through payments from taxpayers, but instead through the use of refundable and nonrefundable tax credits.

**Total Tax Credits** equal the sum of tax credit items found on lines 47 through 53 and lines 64a, 65, and 66 of the 2013 federal 1040 tax form. Tax credits reduce ultimate tax liability and in the case of refundable tax credits, may reduce tax liability to a negative amount for some taxpayers.

The specific federal tax credit line items include:
- Line 47 – Foreign tax credit
- Line 48 – Child and dependent care expenses
- Line 49 – Education credits
- Line 50 – Retirement savings credit
- Line 51 – Child tax credit
- Line 52 – Residential energy credits
- Line 53 – Other credits
- Line 64a – Earned Income Tax Credit (EITC, refundable)
- Line 65 – Additional child tax credit (refundable)
- Line 66 – American Opportunity Credit (refundable)

While Iowans benefit from the child tax credit and the education tax credits to a greater extent than average (1.00% of the national total), as a group Iowans benefit less from the Earned Income Tax Credit (0.70%) and the category of other credits (0.58%). Within the category of other tax credits is the Foreign Tax Credit, a tax credit that Iowans benefit at only 0.19% of the

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5 For nonrefundable tax credits, only the portion that benefited the taxpayer is included in the dollar figures for total tax credits. The portion that taxpayers were not able to use due to lack of final tax liability is not included. The adjustment for unused nonrefundable tax credits is included in the “Other Tax Credits & Adjustments” line of Table 1D.
The Foreign Tax Credit is a credit for taxes paid to a foreign country on income that is also subject to U.S. income tax.

**Total Tax Liability After Tax Credits** equals tax liability minus tax credits. As a group, Iowa taxpayers paid $8.730 billion in federal income tax for 2013, an amount equal to 10.7% of AGI. For all U.S. returns, the same calculation yields 12.4% of AGI.

### FEDERAL RETURN ANALYSIS — IOWA COMPARED TO SURROUNDING STATES

Attachment A at the end of this document provides summary statistics for Iowa and the surrounding states of Illinois, Missouri, Kansas, Nebraska, South Dakota, North Dakota, Minnesota, and Wisconsin. The top portion of the attachment provides totals for all tax returns filed from each state, and the bottom portion provides a “per tax return” average by dividing the state totals by the number of returns filed from that state. Totals for all nine states, labeled as “Region Total” and a U.S. total are also provided.

**Attachment A** leads to the following observations:

- The average wage and salary income shown on federal tax returns filed by Iowans was $40,204, higher in the region than only Missouri ($38,883) and South Dakota ($35,773). The Iowa amount is 92.4% of the U.S. average of $44,019.
- Income other than wages and salaries (Other Taxed Income) for Iowa equaled $18,051 per tax return, higher than Missouri, Nebraska, and Wisconsin, and 96.4% of the U.S. average of $18,731.
- The average AGI of an Iowa tax return was $57,107, higher than Missouri, South Dakota, and Wisconsin and 93.3% of the U.S. average of $61,806.
- After adjustment for tax credits, an average Iowa tax return paid $6,085, the lowest of all nine states in the region and 79.3% of the U.S. average of $7,677.
- The average tax rate for Iowa tax returns was 10.7% of AGI.
- On a per capita basis, Iowans paid $2,825 in federal income tax for tax year 2013, higher only than Missouri’s $2,668. The regional and U.S. averages were $3,469 and $3,559 respectively.
- Iowa tax returns averaged 1.96 exemptions and 0.61 dependents per tax return. The exemptions number was very close to the U.S. average of 1.97, while the dependent number was lower than the U.S. 0.67 figure. For the region, North Dakota posted the lowest per return figures at 1.85 exemptions and 0.53 dependents per tax return.

### FEDERAL RETURN ANALYSIS — IOWA TAX RETURNS BY FEDERAL AGI CATEGORY

The IRS dataset provides a breakdown of tax return statistics by level of reported federal AGI. The top portion of Table 2 shows Iowa income tax returns filed in 10 categories of federal AGI. The average tax rates shown in the right-hand column are based on gross income (as opposed to a percent of AGI), before the adjustments available on lines 23 through 35 of the tax form. The center section of Table 2 summarizes the data into three AGI classes. For comparison, the bottom section provides the same AGI summary for tax returns filed by all U.S. taxpayers.

**Table 2** leads to the following observations:

- As a group, 36.1% of Iowa federal tax returns report gross income below $25,000. This category includes 17,560 Iowa returns that reported negative income. In most instances, negative gross income is the result of farm and other business losses. Although this group represents 36.1% of all federal income tax returns filed by Iowans, they represent just 8.4%
of wage and salary income. Refundable tax credits result in an average federal income tax rate of negative 6.6%

- A total of 40,070 tax returns (2.8% of the Iowa total) reported AGI greater than $200,000. This group accounts for 20.8% of reported gross income and 44.7% of all federal income tax paid by Iowans. The average tax rate for the group was 22.4%.

- The AGI categories between $25,000 and $200,000 represent 61.1% of tax returns filed and 73.1% of gross income. The average federal income tax rate for the group was 8.5%

<table>
<thead>
<tr>
<th>Federal AGI Category</th>
<th>Number of Returns</th>
<th>Wage &amp; Salary Amount</th>
<th>Other Income</th>
<th>Gross Income</th>
<th>Income Tax Paid, After Tax Credits</th>
<th>Average Federal Income Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $1</td>
<td>17,560</td>
<td>150</td>
<td>(1,354)</td>
<td>(1,204)</td>
<td>(5)</td>
<td>*</td>
</tr>
<tr>
<td>$1 under $10,000</td>
<td>206,150</td>
<td>903</td>
<td>230</td>
<td>1,133</td>
<td>(79)</td>
<td>-7.0%</td>
</tr>
<tr>
<td>$10,000 under $25,000</td>
<td>293,690</td>
<td>3,803</td>
<td>1,373</td>
<td>5,175</td>
<td>(252)</td>
<td>-4.9%</td>
</tr>
<tr>
<td>$25,000 under $50,000</td>
<td>352,770</td>
<td>10,166</td>
<td>2,885</td>
<td>13,051</td>
<td>496</td>
<td>3.8%</td>
</tr>
<tr>
<td>$50,000 under $75,000</td>
<td>216,890</td>
<td>10,107</td>
<td>3,488</td>
<td>13,595</td>
<td>1,001</td>
<td>7.4%</td>
</tr>
<tr>
<td>$75,000 under $100,000</td>
<td>145,980</td>
<td>9,429</td>
<td>3,406</td>
<td>12,835</td>
<td>1,099</td>
<td>8.6%</td>
</tr>
<tr>
<td>$100,000 under $200,000</td>
<td>161,520</td>
<td>15,207</td>
<td>6,394</td>
<td>21,602</td>
<td>2,572</td>
<td>11.9%</td>
</tr>
<tr>
<td>$200,000 under $500,000</td>
<td>33,430</td>
<td>5,331</td>
<td>4,412</td>
<td>9,744</td>
<td>1,835</td>
<td>18.8%</td>
</tr>
<tr>
<td>$500,000 under $1,000,000</td>
<td>4,880</td>
<td>1,552</td>
<td>1,784</td>
<td>3,337</td>
<td>825</td>
<td>24.7%</td>
</tr>
<tr>
<td>$1,000,000 or more</td>
<td>1,760</td>
<td>1,030</td>
<td>3,276</td>
<td>4,307</td>
<td>1,239</td>
<td>28.8%</td>
</tr>
<tr>
<td></td>
<td>1,434,630</td>
<td>57,678</td>
<td>25,896</td>
<td>83,575</td>
<td>8,730</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AGI Category</th>
<th>% of Iowa Returns</th>
<th>% of Iowa Wage &amp; Salary</th>
<th>% of Iowa Other Income</th>
<th>% of Iowa Gross Income</th>
<th>% of Federal Income Taxes Paid by Iowans</th>
<th>Average Federal Income Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $25,000 AGI</td>
<td>36.1%</td>
<td>8.4%</td>
<td>1.0%</td>
<td>6.1%</td>
<td>-3.9%</td>
<td>-6.6%</td>
</tr>
<tr>
<td>$25,000 AGI to $199,999</td>
<td>61.1%</td>
<td>77.9%</td>
<td>62.5%</td>
<td>73.1%</td>
<td>59.2%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Over $200,000 AGI</td>
<td>2.8%</td>
<td>13.7%</td>
<td>36.6%</td>
<td>20.8%</td>
<td>44.7%</td>
<td>22.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AGI Category</th>
<th>% of Iowa U.S. Wage &amp; Salary</th>
<th>% of U.S. Wage &amp; Salary</th>
<th>% of U.S. Other Income</th>
<th>% of Federal Income Taxes Paid by U.S. Taxpayers</th>
<th>Average Federal Income Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $25,000 AGI</td>
<td>40.0%</td>
<td>8.6%</td>
<td>-1.7%</td>
<td>5.3%</td>
<td>-5.3%</td>
</tr>
<tr>
<td>$25,000 AGI to $199,999</td>
<td>56.2%</td>
<td>68.3%</td>
<td>50.1%</td>
<td>62.8%</td>
<td>45.5%</td>
</tr>
<tr>
<td>Over $200,000 AGI</td>
<td>3.8%</td>
<td>23.1%</td>
<td>51.6%</td>
<td>31.6%</td>
<td>59.8%</td>
</tr>
</tbody>
</table>

*Due to negative gross income, an average tax rate cannot be calculated for this AGI category.

### SUMMARY

Iowa represents 0.98% of the U.S. population and based on federal individual income tax returns filed for tax year 2013, Iowa residents filed 0.98% of all federal income tax returns. However, summary statistics reported by the federal IRS indicate that Iowa taxpayers generally have lower wage and salary income and lower other sources of income than the average U.S. taxpayer. As a result, Iowa taxpayers pay lower federal income taxes, both on a percent-of-AGI basis and on a per-return basis. Although there are some exceptions, the same is true when comparing Iowa taxpayers to taxpayers in surrounding states.
For tax year 2013, Iowans filed 1.4 million federal individual income tax returns and reported $83.575 billion in gross income. As a group, Iowans paid $8.730 million in federal individual income tax. These figures resulted in an average tax rate of 10.4% of gross income (10.7% of federal AGI). Of those filing federal income tax returns, 36.1% pay no (or negative) federal income tax, and 2.8% of the taxpayer population earns 20.8% of the gross income and pays 44.7% of all the federal income tax paid by Iowans.

STAFF CONTACT:  Jeff Robinson (515-281-4614) jeff.robinson@legis.iowa.gov
### Federal Tax Returns Filed in 2014 (Tax Year 2013)

**Dollars in Millions**

<table>
<thead>
<tr>
<th>Region</th>
<th>Illinois</th>
<th>Kansas</th>
<th>Minnesota</th>
<th>Missouri</th>
<th>North Dakota</th>
<th>Nebraska</th>
<th>South Dakota</th>
<th>Wisconsin</th>
<th>Iowa</th>
<th>Region Total</th>
<th>U.S. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returns (number)</td>
<td>12,882,135</td>
<td>2,893,957</td>
<td>5,420,380</td>
<td>6,044,171</td>
<td>723,393</td>
<td>1,868,516</td>
<td>844,877</td>
<td>5,742,713</td>
<td>3,090,416</td>
<td>39,510,558</td>
<td>316,128,839</td>
</tr>
<tr>
<td>Exemptions (number)</td>
<td>12,053,590</td>
<td>2,665,870</td>
<td>5,069,180</td>
<td>5,330,400</td>
<td>668,680</td>
<td>1,743,630</td>
<td>783,920</td>
<td>5,319,150</td>
<td>2,807,370</td>
<td>36,441,790</td>
<td>288,735,000</td>
</tr>
<tr>
<td>Dependents (number)</td>
<td>4,217,510</td>
<td>879,330</td>
<td>1,572,650</td>
<td>1,689,080</td>
<td>191,790</td>
<td>571,770</td>
<td>239,950</td>
<td>1,621,350</td>
<td>868,950</td>
<td>11,852,380</td>
<td>97,496,700</td>
</tr>
<tr>
<td>Wage and Salary</td>
<td>283,082</td>
<td>54,829</td>
<td>125,347</td>
<td>106,659</td>
<td>15,702</td>
<td>36,060</td>
<td>14,762</td>
<td>114,968</td>
<td>57,678</td>
<td>809,087</td>
<td>6,450,671</td>
</tr>
<tr>
<td>Other Taxed Income</td>
<td>122,093</td>
<td>25,053</td>
<td>50,659</td>
<td>44,027</td>
<td>9,873</td>
<td>15,697</td>
<td>8,978</td>
<td>47,021</td>
<td>25,896</td>
<td>349,297</td>
<td>2,744,952</td>
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<tr>
<td>Adjusted Gross Income (subtotal)</td>
<td>399,201</td>
<td>78,516</td>
<td>172,893</td>
<td>148,434</td>
<td>25,006</td>
<td>50,728</td>
<td>23,167</td>
<td>159,418</td>
<td>81,928</td>
<td>1,139,291</td>
<td>9,057,169</td>
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<tr>
<td>Taxed Income</td>
<td>$285,047</td>
<td>$54,866</td>
<td>$121,991</td>
<td>$101,327</td>
<td>$19,061</td>
<td>$35,032</td>
<td>$16,690</td>
<td>$109,586</td>
<td>$56,424</td>
<td>$800,024</td>
<td>$6,370,920</td>
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<tr>
<td>Tax Liability Before Credits</td>
<td>$58,417</td>
<td>$10,458</td>
<td>$23,716</td>
<td>$20,163</td>
<td>$3,849</td>
<td>$14,762</td>
<td>$8,978</td>
<td>$57,678</td>
<td>$10,100</td>
<td>$155,451</td>
<td>$1,291,067</td>
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<tr>
<td>Tax Credits</td>
<td>-6,552</td>
<td>-1,319</td>
<td>-2,348</td>
<td>-2,820</td>
<td>-293</td>
<td>-862</td>
<td>-405</td>
<td>-2,436</td>
<td>-1,370</td>
<td>-18,405</td>
<td>-166,089</td>
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<td>Tax Liability after Credits</td>
<td>$51,865</td>
<td>$9,139</td>
<td>$21,308</td>
<td>$16,128</td>
<td>$3,599</td>
<td>$2,284</td>
<td>$3,153</td>
<td>$17,973</td>
<td>$8,730</td>
<td>$137,046</td>
<td>$1,124,978</td>
</tr>
</tbody>
</table>

### Federal Tax Return Statistics Per Tax Return Filed

**Dollars in Millions**

<table>
<thead>
<tr>
<th>Region</th>
<th>Illinois</th>
<th>Kansas</th>
<th>Minnesota</th>
<th>Missouri</th>
<th>North Dakota</th>
<th>Nebraska</th>
<th>South Dakota</th>
<th>Wisconsin</th>
<th>Iowa</th>
<th>Region Total</th>
<th>U.S. Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemptions</td>
<td>1.98</td>
<td>2.01</td>
<td>1.91</td>
<td>1.94</td>
<td>1.85</td>
<td>1.98</td>
<td>1.90</td>
<td>1.90</td>
<td>1.96</td>
<td>1.95</td>
<td>1.97</td>
</tr>
<tr>
<td>Dependents</td>
<td>0.69</td>
<td>0.66</td>
<td>0.59</td>
<td>0.62</td>
<td>0.63</td>
<td>0.65</td>
<td>0.63</td>
<td>0.61</td>
<td>0.61</td>
<td>0.62</td>
<td>0.67</td>
</tr>
<tr>
<td>Wage and Salary</td>
<td>$46,402</td>
<td>$41,358</td>
<td>$47,240</td>
<td>$38,883</td>
<td>$43,394</td>
<td>$40,973</td>
<td>$35,773</td>
<td>$41,084</td>
<td>$40,204</td>
<td>$43,242</td>
<td>$44,019</td>
</tr>
<tr>
<td>Other Taxed Income</td>
<td>20,013</td>
<td>18,898</td>
<td>19,092</td>
<td>16,050</td>
<td>27,285</td>
<td>17,836</td>
<td>21,756</td>
<td>16,803</td>
<td>18,051</td>
<td>18,668</td>
<td>18,731</td>
</tr>
<tr>
<td>Adjustments to Gross Income</td>
<td>-979</td>
<td>-1,030</td>
<td>-1,173</td>
<td>-821</td>
<td>-1,572</td>
<td>-1,169</td>
<td>-1,389</td>
<td>-919</td>
<td>-1,147</td>
<td>-1,020</td>
<td>-945</td>
</tr>
<tr>
<td>Adjusted Gross Income (subtotal)</td>
<td>65,435</td>
<td>59,225</td>
<td>65,158</td>
<td>54,112</td>
<td>69,106</td>
<td>57,640</td>
<td>56,141</td>
<td>56,968</td>
<td>57,107</td>
<td>60,890</td>
<td>61,806</td>
</tr>
<tr>
<td>Deductions and Personal Exemptions</td>
<td>-18,712</td>
<td>-17,839</td>
<td>-19,183</td>
<td>-17,137</td>
<td>-16,429</td>
<td>-17,835</td>
<td>-15,696</td>
<td>-17,808</td>
<td>-17,777</td>
<td>-18,132</td>
<td>-18,331</td>
</tr>
<tr>
<td>Tax Liability Before Credits</td>
<td>$9,575</td>
<td>$7,888</td>
<td>$8,915</td>
<td>$6,907</td>
<td>$10,637</td>
<td>$7,341</td>
<td>$7,641</td>
<td>$7,293</td>
<td>$7,040</td>
<td>$8,308</td>
<td>$8,810</td>
</tr>
<tr>
<td>Tax Credits</td>
<td>-1,074</td>
<td>-995</td>
<td>-885</td>
<td>-1,028</td>
<td>-810</td>
<td>-979</td>
<td>-981</td>
<td>-871</td>
<td>-955</td>
<td>-984</td>
<td>-1,133</td>
</tr>
<tr>
<td>Tax Liability after Credits</td>
<td>$8,501</td>
<td>$6,893</td>
<td>$8,030</td>
<td>$5,879</td>
<td>$9,827</td>
<td>$6,362</td>
<td>$6,660</td>
<td>$6,422</td>
<td>$6,085</td>
<td>$7,324</td>
<td>$7,677</td>
</tr>
<tr>
<td>Final Tax Liability as a % of AGI</td>
<td>13.0%</td>
<td>11.6%</td>
<td>12.3%</td>
<td>10.9%</td>
<td>11.9%</td>
<td>11.3%</td>
<td>10.7%</td>
<td>10.2%</td>
<td>10.7%</td>
<td>12.0%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Federal Income Tax Per Capita</td>
<td>$4,026</td>
<td>$3,158</td>
<td>$3,931</td>
<td>$2,668</td>
<td>$4,916</td>
<td>$2,996</td>
<td>$3,253</td>
<td>$3,130</td>
<td>$2,825</td>
<td>$3,469</td>
<td>$3,559</td>
</tr>
</tbody>
</table>
Form 1040
Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return

For the year Jan. 1–Dec. 31, 2013, or other tax year beginning, 2013, ending, 2020

See separate instructions.

Your social security number

If a joint return, spouse’s first name and initial

Last name

Apt. no.

Social security benefits

Ordinary dividends. Attach Schedule B if required

Total number of exemptions claimed

7

Wages, salaries, tips, etc. Attach Form(s) W-2

3

Married filing separately. Enter spouse’s SSN above and full name here.

14

Other gains or (losses). Attach Form 4797

15a

IRA distributions

16a

Pensions and annuities

20a

Social security benefits

21

Other income. List type and amount

22

Combine the amounts in the far right column for lines 7 through 21. This is your total income

Adjusted Gross Income

23

Educator expenses

24

Certain business expenses of reservists, performing artists, and fee-based government officials. Attach Form 2106 or 2106-EZ

25

Health savings account deduction. Attach Form 8889

26

Moving expenses. Attach Form 3903

27

Deductible part of self-employment tax. Attach Schedule SE

28

Self-employed SEP, SIMPLE, and qualified plans

29

Self-employed health insurance deduction

30

Penalty on early withdrawal of savings

31a

Alimony paid

b Recipient’s SSN

32

IRA deduction

33

Student loan interest deduction

34

Tuition and fees. Attach Form 8917

35

Domestic production activities deduction. Attach Form 8903

36

Add lines 23 through 35

37

Subtract line 36 from line 22. This is your adjusted gross income

Exemptions

6a

☐ Yourself. If someone can claim you as a dependent, do not check box 6a.

b

☐ Spouse

Dependents:

(1) First name

(2) Dependent’s social security number (3) Dependent’s relationship to you (4) ☐ if child under age 17 qualifying for child tax credit (see instructions)

If more than four dependents, see instructions and check here ▶

Boxes checked on 6a and 6b

No. of children on 6c who:

• did not live with you, • did not live with you due to divorce or separation (see instructions)

Dependents on 6c not entered above

Add numbers on lines above ▶

Emoluments

7

Wages, salaries, tips, etc. Attach Form(s) W-2

8a

☐ Taxable interest. Attach Schedule B if required

b

☐ Tax-exempt interest. Do not include on line 8a

9a

☐ Ordinary dividends. Attach Schedule B if required

b

☐ Qualified dividends

10

Taxable refunds, credits, or offsets of state and local income taxes

11

Alimony received

12

Business income or (loss). Attach Schedule C or C-EZ

13

Capital gain or (loss). Attach Schedule D if required

b

☐ if child under age 17 qualifying for child tax credit

14

Other gains or (losses). Attach Form 4797

15a

☐ IRA distributions

16a

☐ Pensions and annuities

17

Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E

18

Farm income or (loss). Attach Schedule F

19

Unemployment compensation

20a

☐ Social security benefits

b

☐ Taxable amount

21

Other income. List type and amount

22

Combine the amounts in the far right column for lines 7 through 21. This is your total income

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11320B

Form 1040 (2013)
### Tax and Credits

#### Standard Deduction for—
- People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.
- All others: Single or Married filing separately, $6,100
- Married filing jointly or Qualifying widow(er), $12,200
- Head of household, $8,950

#### Itemized deductions (from Schedule A) or your standard deduction (see left margin)

#### Exemptions. If line 38 is $150,000 or less, multiply $3,900 by the number on line 6d. Otherwise, see instructions

#### Taxable income. Subtract line 42 from line 38. If line 42 is more than line 38, enter -0-

#### Tax (see instructions). Check if any from: 
- a Form(s) 8814 
- b Form 4972

#### Alternative minimum tax (see instructions). Attach Form 6251

#### Add lines 44 and 45

#### Foreign tax credit. Attach Form 1040X if required

#### Education credits from Form 8863, line 19

#### Education credits from Form 8881, line 19

#### Add lines 47 through 53. These are your total credits

#### Add line 54 from line 46. If line 54 is more than line 46, enter -0-

### Other Taxes

#### Self-employment tax. Attach Schedule SE

#### Unreported social security and Medicare tax from Form: 
- a 4137 
- b 8919

#### Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required

#### Household employment taxes from Schedule H

#### First-time homebuyer credit repayment. Attach Form 5405 if required

#### Taxes from: 
- a Form 8959 
- b Form 8986

#### Add lines 55 through 60. This is your total tax

### Payments

#### Federal income tax withheld from Forms W-2 and 1099

#### 2013 estimated tax payments and amount applied from 2012 return

#### Earned income credit (EIC)

#### Nontaxable combat pay election

#### Additional child tax credit. Attach Schedule 8812

#### American opportunity credit from Form 8863, line 8

#### Reserved

#### Amount paid with request for extension to file

#### Excess social security and tier 1 RRTA tax withheld

#### Credit for federal tax on fuels. Attach Form 4136

#### Credit for federal tax on fuels

#### Credit for federal tax on fuels

#### Add lines 62, 63, 64a, and 65 through 71. These are your total payments

### Refund

#### If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid

#### Amount of line 73 you want refunded to you. If Form 8888 is attached, check here

#### Amount of line 73 you want refunded to you. If Form 8888 is attached, check here

#### Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions

### Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)?
- Yes. Complete below.
- No

**Designee’s name**

**Phone no.**

**Personal identification number (PIN)**

### Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**Your signature**

**Date**

**Your occupation**

**Daytime phone number**

**Spouse’s signature. If a joint return, both must sign.**

**Date**

**Spouse’s occupation**

**If the IRS sent you an Identity Protection PIN, enter it here (see inst.)**

### Paid Preparer Use Only

**Print/Type preparer’s name**

**Preparer’s signature**

**Date**

Check □ if self-employed

**PTIN**

**Firm’s name**

**Firm’s EIN**

**Firm’s address**

**Phone no.**