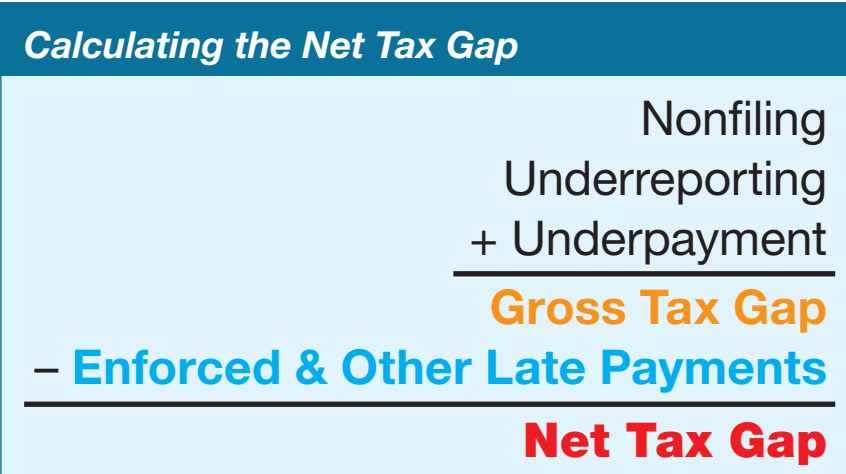
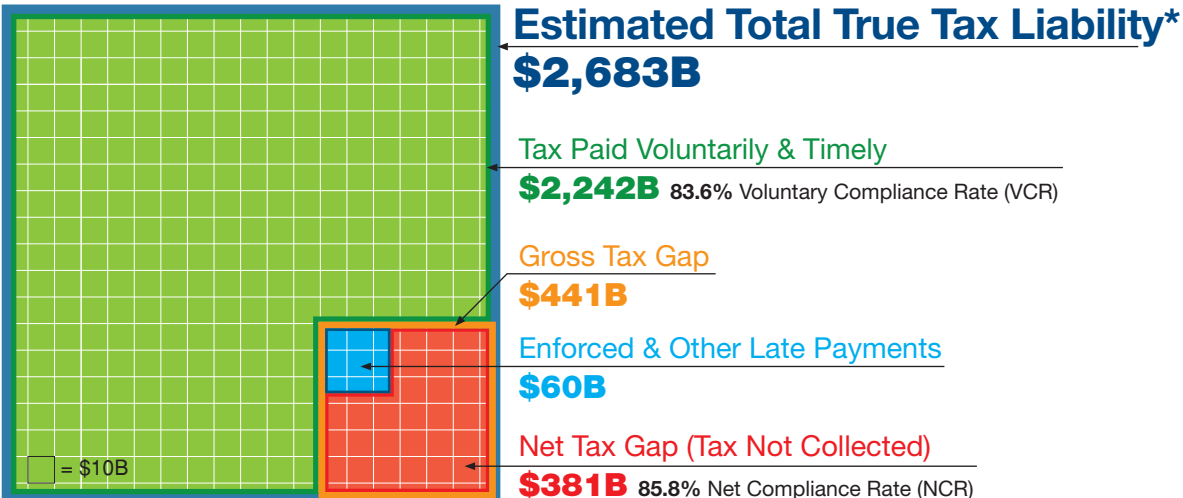


Tax Gap Estimates for Tax Years 2011–2013

(Money amounts are in billions of dollars; estimates are annual average amounts.)



Research, Applied Analytics & Statistics



Total True Tax Liability	Tax Paid Voluntarily & Timely	Gross Tax Gap					Enforced & Other Late Payments	Net Tax Gap (Tax Not Collected)
		Nonfiling	Underreporting	Underpayment	Gross Tax Gap			
\$2,683	\$2,242	\$39	+\$352	+\$50	= \$441	– \$60	= \$381	
By Type of Tax								
Individual Income Tax	Individual Income Tax	Individual Income Tax	Individual Income Tax	Individual Income Tax	Individual Income Tax	Individual Income Tax	Individual Income Tax	
\$1,398	\$1,084	\$31	+\$245	+\$38	= \$314	– \$43 (14%)	= \$271	
			Business Income: \$110, Non-Business Income: \$57, Credits: \$42, Income Offsets [1]: \$20, Filing Status: \$5, Other Taxes [2]: \$1, Unallocated Marginal Effects [3]: \$10					
Corporation Income Tax	Corporation Income Tax	Corporation Income Tax	Corporation Income Tax	Corporation Income Tax	Corporation Income Tax	Corporation Income Tax	Corporation Income Tax	
\$294	\$251	#	+\$37	+\$5	= \$42	– \$10 (24%)	= \$32	
			Large Corporations: \$26, Small Corporations: \$11					
Employment Tax	Employment Tax	Employment Tax [4]	Employment Tax	Employment Tax	Employment Tax	Employment Tax	Employment Tax	
\$920	\$839	\$6	+\$69	+\$6	= \$81	– \$5 (6%)	= \$77	
			Self-Employment Tax: \$45, FICA & Uncollected FICA TAX: \$24, Unemployment: \$1					
Estate Tax	Estate Tax	Estate Tax	Estate Tax	Estate Tax	Estate Tax	Estate Tax	Estate Tax	
\$16	\$13	\$2	+\$1	+\$<0.5	= \$3	– \$2 (55%)	= \$1	

NOTES:

* Totals include Excise Tax.
 #—No estimate.
 Detail may not add to totals due to rounding.

[1] Includes adjustments, deductions, and exemptions.
 [2] Includes the Alternative Minimum Tax and taxes reported in the "Other Taxes" section of the Form 1040 except for self-employment tax and unreported social security and Medicare tax (which are included in the employment tax gap estimates).
 [3] Is the difference between (1) the estimate of the individual income tax underreporting tax gap where underreported tax is calculated based on all misreporting combined and (2) the estimate of the individual income tax underreporting tax gap based on the sum of the tax gaps associated with each line item where the line item tax gap is calculated based on the misreporting of that item only. There may be differences if the marginal tax rates are different in these two situations.
 [4] Self-employment tax only.

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