United States Government Other Information (Unaudited) for the Years Ended September 30, 2017, and 2016

Tax Burden

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

Individual Income Tax Liability for Tax Year 2015

Adjusted Gross Income (AGI)	Number of Taxable Returns (In thousands)	AGI (in millions of dollars)	Total Income Tax (in millions of dollars)	Average AGI Per Return (in whole dollars)	Average Income Tax per Return (in whole dollars)	Income Tax as a Percentage of AGI
Under $15,000	35,824	61,630	2,033	1,720	57	3.3%
$15,000 under $30,000	30,043	662,661	18,468	22,057	615	2.8%
$30,000 under $50,000	26,539	1,040,372	57,698	39,202	2,174	5.5%
$50,000 under $100,000	32,802	2,339,474	205,693	71,321	6,271	8.8%
$100,000 under $200,000	18,533	2,506,498	316,350	135,245	17,070	12.6%
$200,000 under $500,000	5,428	1,546,515	299,832	284,914	55,238	19.4%
$500,000 or more	1,324	2,053,160	557,817	1,550,725	421,312	27.2%
Total	150,493	10,210,310	1,457,891			

Corporation Income Tax Liability for Tax Year 2014

Total Assets (In thousands of dollars)	Income Subject to Tax (in millions of dollars)	Total Income Tax After Credits (in millions of dollars)	Percentage of Income Tax After Credits to Taxable Income
Zero Assets	16,236	5,347	32.9%
$1 under $500	8,728	1,786	20.5%
$500 under $1,000	3,787	918	24.2%
$1,000 under $5,000	13,567	4,080	30.1%
$5,000 under $10,000	8,587	2,802	32.6%
$10,000 under $25,000	13,741	4,526	32.9%
$25,000 under $50,000	12,827	4,170	32.5%
$50,000 under $100,000	15,225	4,919	32.3%
$100,000 under $250,000	32,119	8,303	25.9%
$250,000 under $500,000	29,921	9,453	31.6%
$500,000 under $2,500,000	120,328	35,316	29.3%
$2,500,000 or more	1,126,109	254,458	22.6%
Total	1,401,175	336,078	

Tax Gap

The tax gap is the difference between what taxpayers should pay and what they actually pay on time. The tax gap, about $458.0 billion annually based on updated estimates, represents the amount of noncompliance with the tax laws. It is estimated that $52.0 billion of the gross tax gap will eventually be collected resulting in a net tax gap of $406.0 billion. The IRS remains committed to finding ways to increase compliance and reduce the tax gap, while minimizing the burden on the vast majority of taxpayers who pay their taxes accurately and on time.

The tax gap is the aggregate amount of tax (excluding interest and penalties) that is imposed by the tax laws for any given tax year but is not paid voluntarily and timely. The tax gap arises from three types of noncompliance: not filing required tax returns on time or at all (the nonfiling gap), underreporting the correct amount of tax on timely filed returns (the underreporting gap), and not paying on time the full amount reported on timely filed returns (the underpayment gap). Underreporting of income tax, employment taxes, and other taxes represents 84.5 percent of the gross tax gap. Each instance of noncompliance by a taxpayer contributes to the tax gap, whether or not the IRS detects it, and whether or not the taxpayer is even aware of the noncompliance. Some of the tax gap arises from intentional (willful) noncompliance, and some of it arises from unintentional mistakes.

The collection gap is the cumulative amount of assessed tax, penalties, and interest that has been assessed over many years, but has not been paid by a certain point in time and which the IRS expects to remain uncollectible. In essence, it represents the difference between the total balance of unpaid assessments and the net taxes receivable reported on the IRS' balance sheet. The tax gap and the collection gap are related and overlapping concepts, but they have significant differences. The collection gap is a cumulative balance sheet concept for a particular point in time, while the tax gap is like an income statement item for a single year. Moreover, the tax gap estimates include all noncompliance, while the collection gap includes only amounts that have been assessed (a small portion of all non-compliance).