

# Internal Revenue Service

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# United States Senate

Senator Tom Coburn, MD

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COMMITTEE ON THE JUDICIARY

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February 3, 2011

**Via U.S. Mail and Electronic Mail (**

The Honorable Douglas H. Shulman  
Commissioner of Internal Revenue Service  
United States Department of the Treasury  
1111 Constitution Avenue, N.W.  
Washington, D.C. 20224

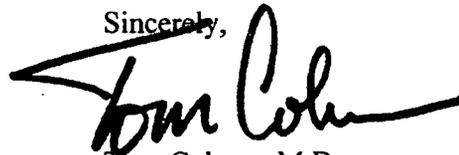
Dear Commissioner Shulman:

According to the Internal Revenue Service ("IRS") website, the IRS collects certain data on the income that individuals report on their tax returns. This data includes individuals that report an adjusted gross income of \$1,000,000 or greater and also collect unemployment compensation or social security benefits. For example, IRS data from 2008 estimates that a total of 2,840 individuals with an adjusted gross income of \$1,000,000 or more received unemployment compensation.<sup>1</sup>

Please provide the following information for all individuals that reported receiving any form of unemployment compensation or social security benefits during tax years 2006, 2007, 2008, and 2009, who also reported an adjusted gross income of \$1,000,000 or greater: (1) unique identifier for each recipient; (2) reported occupation; (3) state of residence; (4) total adjusted gross income for the year(s) in which the individual received unemployment compensation or social security benefits; (5) name of each program the individual received benefits through; (6) amount of benefits received from each program; and (7) total amount of all unemployment compensation or social security benefits received during each year. This information should be produced in an electronic usable format, such as Microsoft Excel.

Please provide the above information by February 18, 2011. If you have any questions, including the format in which the information should be produced, please contact

Sincerely,



Tom Coburn, M.D.  
U.S. Senator

<sup>1</sup> Internal Revenue Service, SOI Tax Stats - Individual Statistical Tables by Size of Adjusted Gross Income, Table 1.4: All Returns: Sources of Income, Adjustments, and Tax Items, by Size of Adjusted Gross Income, Tax Year 2008, <http://www.irs.gov/taxstats/indtaxstats/article/0,,id=96981,00.html>.



**Filers Reporting Unemployment Compensation and  
Adjusted Gross Income of \$1M or More**

<b>State Reported on F1040</b>	<b>Tax Year</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Alabama</b>	*	*	*	*
<b>Alaska</b>	*	*	*	*
<b>Arizona</b>	17	*	15	12
<b>Arkansas</b>	*	*	*	*
<b>California</b>	454	526	569	494
<b>Colorado</b>	20	18	18	19
<b>Connecticut</b>	72	79	143	148
<b>Delaware</b>	*	*	*	*
<b>District of Columbia</b>	*	*	*	*
<b>Florida</b>	87	87	72	90
<b>Georgia</b>	13	20	18	17
<b>Hawaii</b>	*	*	*	*
<b>Idaho</b>	*	*	*	*
<b>Illinois</b>	91	136	161	141
<b>Indiana</b>	14	15	16	14
<b>Iowa</b>	*	13	*	*
<b>Kansas</b>	*	*	11	13
<b>Kentucky</b>	*	10	*	*
<b>Louisiana</b>	14	*	*	*
<b>Maine</b>	*	*	*	*
<b>Maryland</b>	28	19	21	19
<b>Massachusetts</b>	114	130	110	143
<b>Michigan</b>	19	32	22	26
<b>Minnesota</b>	22	22	25	25
<b>Mississippi</b>	10	*	*	*
<b>Missouri</b>	*	*	21	*
<b>Montana</b>	*	*	*	*
<b>Nebraska</b>	*	*	*	*
<b>Nevada</b>	11	17	21	12
<b>New Hampshire</b>	*	*	*	10
<b>New Jersey</b>	164	217	328	251
<b>New Mexico</b>	*	*	*	*
<b>New York</b>	263	375	661	493
<b>North Carolina</b>	11	32	20	19
<b>North Dakota</b>	*	*	*	*
<b>Ohio</b>	21	21	37	12
<b>Oklahoma</b>	*	*	*	*
<b>Oregon</b>	13	12	18	17
<b>Pennsylvania</b>	100	114	126	125
<b>Rhode Island</b>	21	17	*	12
<b>South Carolina</b>	*	*	10	10
<b>South Dakota</b>	*	*	*	*
<b>Tennessee</b>	14	19	10	20
<b>Texas</b>	70	67	60	74
<b>Utah</b>	*	*	*	12
<b>Vermont</b>	*	*	*	*
<b>Virginia</b>	20	16	13	18
<b>Washington</b>	34	42	46	42
<b>West Virginia</b>	*	*	*	*
<b>Wisconsin</b>	44	21	27	16
<b>Wyoming</b>	*	*	*	*
<b>Other/Blank</b>	*	*	11	12
<b>Total Number of Filers</b>	<b>1,850</b>	<b>2,182</b>	<b>2,695</b>	<b>2,383</b>

**Notes:**

IRS does not report data where the number of Taxpayers are less than 10.  
Cells with less than 10 observations are represented with an asterisks.  
The above data are for taxpayers filing a Tax Year 2009 Tax Return

**Filers Reporting Taxable Social Security Income and  
Adjusted Gross Income of \$1M or More**

**Tax Year**

<b>State Reported on F1040</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Alaska</i>	60	71	52	44
<i>Alabama</i>	507	502	379	200
<i>Arizona</i>	220	229	176	112
<i>Arkansas</i>	1,021	973	588	327
<i>California</i>	7,207	7,371	4,943	3,307
<i>Colorado</i>	780	875	565	330
<i>Connecticut</i>	872	951	613	414
<i>District of Columbia</i>	191	210	150	100
<i>Delaware</i>	182	185	117	72
<i>Florida</i>	6,593	6,577	3,838	2,371
<i>Georgia</i>	1,052	1,030	631	397
<i>Hawaii</i>	163	172	118	60
<i>Iowa</i>	189	184	151	108
<i>Idaho</i>	256	201	114	65
<i>Illinois</i>	1,967	2,113	1,366	805
<i>Indiana</i>	428	466	289	182
<i>Kansas</i>	229	276	231	114
<i>Kentucky</i>	283	319	219	172
<i>Louisiana</i>	485	489	533	257
<i>Massachusetts</i>	1,073	1,255	783	497
<i>Maryland</i>	819	938	534	369
<i>Maine</i>	137	129	82	63
<i>Michigan</i>	786	816	502	333
<i>Minnesota</i>	573	623	416	265
<i>Missouri</i>	546	601	571	239
<i>Mississippi</i>	217	213	173	114
<i>Montana</i>	134	122	100	47
<i>North Carolina</i>	1,039	944	570	348
<i>North Dakota</i>	41	53	57	45
<i>Nebraska</i>	159	174	128	80
<i>New Hampshire</i>	184	216	129	69
<i>New Jersey</i>	1,327	1,409	1,027	667
<i>New Mexico</i>	204	246	161	80
<i>Nevada</i>	839	810	512	328
<i>New York</i>	4,082	4,457	2,906	1,852
<i>Ohio</i>	873	892	610	381
<i>Oklahoma</i>	406	446	399	207

**Filers Reporting Gross Social Security Income and  
Adjusted Gross Income of \$1M or More**

**Tax Year**

<b>State Reported on F1040</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Alaska</i>	60	71	52	44
<i>Alabama</i>	507	502	379	200
<i>Arizona</i>	220	229	176	112
<i>Arkansas</i>	1,021	972	588	327
<i>California</i>	7,207	7,370	4,943	3,306
<i>Colorado</i>	780	875	565	330
<i>Connecticut</i>	872	951	613	414
<i>District of Columbia</i>	191	210	150	100
<i>Delaware</i>	182	185	117	72
<i>Florida</i>	6,593	6,576	3,836	2,370
<i>Georgia</i>	1,052	1,030	631	397
<i>Hawaii</i>	163	172	118	60
<i>Iowa</i>	189	184	151	108
<i>Idaho</i>	256	201	114	65
<i>Illinois</i>	1,967	2,113	1,367	805
<i>Indiana</i>	428	466	289	182
<i>Kansas</i>	229	276	231	114
<i>Kentucky</i>	283	319	219	172
<i>Louisiana</i>	485	489	533	257
<i>Massachusetts</i>	1,073	1,255	784	497
<i>Maryland</i>	819	938	534	369
<i>Maine</i>	137	129	82	63
<i>Michigan</i>	786	816	502	333
<i>Minnesota</i>	573	623	416	265
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<i>Montana</i>	134	122	100	47
<i>North Carolina</i>	1,039	944	570	348
<i>North Dakota</i>	41	53	57	45
<i>Nebraska</i>	159	174	128	80
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<i>New York</i>	4,082	4,457	2,905	1,851
<i>Ohio</i>	873	892	610	381
<i>Oklahoma</i>	406	446	399	206

<i>Oregon</i>	484	500	319	154	<i>Oregon</i>	484	500	319	154
<i>Pennsylvania</i>	1,306	1,418	1,001	679	<i>Pennsylvania</i>	1,306	1,418	1,001	679
<i>Rhode Island</i>	112	136	87	54	<i>Rhode Island</i>	112	136	87	54
<i>South Carolina</i>	565	546	309	197	<i>South Carolina</i>	565	546	309	197
<i>South Dakota</i>	110	96	96	43	<i>South Dakota</i>	110	96	96	43
<i>Tennessee</i>	636	645	395	265	<i>Tennessee</i>	636	644	395	265
<i>Texas</i>	3,282	3,618	3,029	1,550	<i>Texas</i>	3,282	3,618	3,029	1,550
<i>Utah</i>	274	287	156	103	<i>Utah</i>	274	287	156	103
<i>Virginia</i>	1,010	1,034	677	482	<i>Virginia</i>	1,011	1,034	677	482
<i>Vermont</i>	98	104	51	35	<i>Vermont</i>	98	104	51	35
<i>Washington</i>	1,215	1,263	834	440	<i>Washington</i>	1,215	1,263	834	440
<i>Wisconsin</i>	519	565	375	240	<i>Wisconsin</i>	519	565	375	240
<i>West Virginia</i>	71	84	69	52	<i>West Virginia</i>	71	84	69	52
<i>Wyoming</i>	199	235	146	86	<i>Wyoming</i>	199	235	146	86
<i>Other/Blank</i>	152	172	131	73	<i>Other/Blank</i>	153	177	131	75

<b>Total Number of Filers</b>	<b>46,157</b>	<b>48,241</b>	<b>32,408</b>	<b>19,874</b>	<b>Total Number of Filers</b>	<b>46,159</b>	<b>48,242</b>	<b>32,406</b>	<b>19,872</b>
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Notes:

IRS does not report data where the number of Taxpayers are less than 10.

Cells with less than 10 observations are represented with an asterisks.

The above data are for taxpayers filing a Tax Year 2009 Tax Return

**Total Filing Population**

<b><u>Filing Status</u></b>	<b>Tax Year</b>			
	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
MFJ	53,318,770	55,360,241	53,528,116	52,543,741
Single*	86,140,563	97,542,501	88,384,470	84,164,151
<b>Total</b>	<b>139,459,333</b>	<b>152,902,742</b>	<b>141,912,586</b>	<b>136,707,892</b>

**Filers Reporting Adjusted Gross Income of \$1M or More**

<b><u>Filing Status</u></b>	<b>Tax Year</b>			
	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
MFJ	297,002	330,001	259,152	194,209
Single*	62,378	69,433	52,990	37,940
<b>Total</b>	<b>361,386</b>	<b>401,441</b>	<b>314,150</b>	<b>234,158</b>

**Filers Reporting Unemployment Compensation  
With Adjusted Gross Income of \$1M or More**

<b><u>Filing Status</u></b>	<b>Tax Year</b>			
	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
MFJ	1,621	1,937	2,413	2,146
Single*	229	245	282	237
<b>Total</b>	<b>1,850</b>	<b>2,182</b>	<b>2,695</b>	<b>2,383</b>

**Percentage of Filers Reporting Unemployment Compensation  
With Adjusted Gross Income of \$1M or More**

<b><u>Filing Status</u></b>	<b>Tax Year</b>			
	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
MFJ	0.55%	0.59%	0.93%	1.10%
Single*	0.37%	0.35%	0.53%	0.62%
<b>Total</b>	<b>0.51%</b>	<b>0.54%</b>	<b>0.86%</b>	<b>1.02%</b>

**Percentage of All Filers Reporting Adjusted Gross Income of \$1M or More**

<b><u>Filing Status</u></b>	<b>Tax Year</b>			
	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
MFJ	0.56%	0.60%	0.48%	0.37%
Single*	0.07%	0.07%	0.06%	0.05%
<b>Total</b>	<b>0.26%</b>	<b>0.26%</b>	<b>0.22%</b>	<b>0.17%</b>

\* Single - All filing Statuses not Married Filing Jointly.

**Table 1. Individual Income Tax Returns: Selected Tax Items for Returns  
With Adjusted Gross Income \$1,000,000 or more, Tax Years 2006-2009**

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	Tax Year			
	2006	2007	2008	Preliminary 2009
	(1)	(2)	(3)	(4)
<b>All returns</b>	<b>354,093</b>	<b>392,222</b>	<b>321,295</b>	<b>233,435</b>
<b>Agriculture program payments, total [1]</b>				
Number of returns	5,923	6,242	5,436	3,432
Amount	85,001	78,374	74,536	45,724
<b>Agriculture program payments, taxable [1]</b>				
Number of returns	5,803	6,096	5,336	3,368
Amount	81,520	66,574	73,756	45,622
<b>Renting residential and vacation property expenses</b>				
Number of returns	N/A	N/A	N/A	N/A
Amount	N/A	N/A	N/A	N/A
<b>Total rent income [2]</b>				
Number of returns	106,569	114,543	97,641	69,038
Amount	22,138,686	23,709,153	21,516,273	17,526,368
<b>Rental expenses</b>				
Number of returns	105,966	114,484	96,254	69,074
Amount	17,050,076	18,641,646	16,058,841	12,501,897
<b>Rent net income or loss [2]</b>				
Number of returns	109,932	118,641	100,261	71,219
Amount	5,088,610	5,067,507	5,457,432	5,024,471
<b>Gambling income</b>				
Number of returns	11,812	12,932	11,517	9,546
Amount	7,413,899	9,044,644	7,986,875	7,754,875
<b>Gambling losses [3]</b>				
Number of returns	10,181	10,791	9,891	8,225
Amount	4,849,702	6,550,945	5,421,402	4,151,841
<b>Cancelled debt excluded from gross income</b>				
Number of returns	N/A	N/A	78	126
Amount	N/A	N/A	23,974	104,264
<b>Business entertainment expenses [4]</b>				
Number of returns	39,208	42,181	34,348	22,596
Amount	168,038	174,654	162,676	102,337

Mortgage interest deduction				
Number of returns	227,079	251,493	209,116	143,441
Amount	7,549,494	8,640,633	7,065,350	4,445,994

[1] Data includes payments from Federal and State programs.

[2] The statistics for rental income and losses reported on Schedule E includes rents from commercial buildings and storage facilities as well as residential property. Most rental income reported on Schedule E are subject to the passive loss limitations.

[3] Gambling losses were not allowed to offset gambling earnings but were instead shown as an itemized deduction. Gambling losses were limited to the extent of gambling earnings.

[4] Business entertainment expenses were subject to a 50% limitation (if a taxpayer was subject to the Department of Transportation's "hours of service" limits, a taxpayer could deduct 80% of their business-related meal and entertainment expenses).

N/A - Data not available.

Source: IRS, Statistics of Income Division, April 2011