

Getting to Know U.S. Taxpayers: Selected Tax Data by Occupation and Industry, Tax Year 2005

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Abstract

For several tax years, the Statistics of Income (SOI) Division of the Internal Revenue Service (IRS) has merged its U.S. Individual Income Tax Return sample data with selected information documents from the IRS Individual Returns Master File (IRMF) System to create a repository of sampled data and matched information reporting documents. This database has been further enriched by assigning industry and occupation codes to individuals who have filed income tax returns. The occupation codes are based on taxpayers' entries on the income tax return and the industry codes are based on SOI matching procedures for employer information documents.

In this paper, we take a first look at selected SOI individual income tax data by taxpayer occupation classifications and industry sectors for Tax Year 2005.

Key Words: Tax Return, Occupation, Industry

1. Research Objective

Our main objective was to help meet the research community's need for demographically profiled statistical data by providing industry codes and occupation codes for taxpayers in SOI individual sample data.

2. Research History

The IRS's history with taxpayer occupation data began with the first publication on statistics for calendar year 1916. The statistics for "Personal Income–Tax Returns" included income distributions by occupations.ⁱ A little more than 50 years later, the IRS began conducting independent and joint studies to determine the reliability of the tax return occupation data.ⁱⁱ By late 1979, the IRS had concluded that the individual tax form return could be a dependable resource for occupational data (Koteen and Grayson, 1979).

In the early 1980s the SOI Division announced the impending arrival of tax data by occupation classification (Sailer, Orcutt, and Clark, 1980). Having realized the potential benefit in obtaining the Form W-2 wage data for each taxpayer and in "creating a computerized dictionary of occupation titles," SOI envisioned the possibility of providing the research community with an "Occupation Supplement." These "supplemental reports" would be derived from a database comprised not only of tax return data but also demographic data such as occupation classification, industry sector, gender, "and possibly ...age and race" for each taxpayer (Blacksin and Plowden, 1981, p. 586).

SOI pursued creating the database throughout the 1980s, reporting periodically on its progress and employment-related research projects.ⁱⁱⁱ In the 1990s, SOI created “a more elaborate database” for Tax Year 1993 (Sailer and Nuriddin, 1999, p. 33). The database’s demographic content now included not only age and gender but also an occupation code and industry code for each taxpayer. SOI closed out the century with an offer for the research community to use the enriched administrative database (Sailer and Nuriddin, 1999).

3. Research Design

3.1 The Files-Tax Years 2003, 2004, and 2005

We decided to merge the SOI Taxpayer Industry and Occupation Study (OCC) files with an abridged version of the respective SOI Individual Sole Proprietorship (INSOLE) files for the latest three tax years in which work had been completed for both files. Sampling information on the Tax Years 2003, 2004, and 2005 files can be found in the respective IRS Publication 1304.^{iv}

Overall, the basic processing for the OCC files in this project is similar to the process described for Tax Year 1993 in the paper by Sailer and Nuriddin. The industry codes in an OCC file are based on SOI matching procedures using the Employer Identification Number (EIN) or the employer’s name from the Form W-2 (Wage and Tax Statement).^v Over time, improved technologies have enabled SOI to implement extensive validation procedures. SOI can now generate industry codes by matching the EIN or business name to an Industry Coding Dictionary (ICD). SOI has developed several ICDs by compiling valid sets of an EIN or business name and the associated industry code. The ICDs use industry data from previously industry coded OCC files, partnership (based on Form 1065) files, and the charitable organization (based on Form 990) files. After applying an industry code to the file, SOI validates the file using a current NAICS Codes listing.

Once the industry coding is completed, the Standard Occupation Classification (SOC) Codes are generated.^{vi} In the OCC file, these occupation codes are based on taxpayers’ occupation title entries on the individual tax return. For all returns, the first 20 characters of the occupational title entry in the “Your occupation” box (denotes a primary taxpayer in SOI processing) are extracted from the tax return. For joint returns, the first 20 characters of the occupational title entry in the “Spouse’s occupation” box (denotes a secondary taxpayer in SOI processing) are also extracted. These incoming taxpayer occupational title entries are matched to those title entries already in the Master Occupation-Coding Dictionary (MOD).^{vii} New titles that are not coded initially by the MOD are researched and then subsequently assigned an occupation code. This is the same process as described for Tax Year 1993 (Sailer and Nuriddin, 1999). After generating occupation codes, SOI validates the file using a current SOC Code.

Figure 1: Resource Document for SOC Code

Sign Here Joint return? See page 17. Keep a copy for your records.	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my belief and knowledge, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which he or she has any knowledge.			
	Your signature	Date	Your occupation	Pr
Paid Preparer's Use Only	Spouse's signature. If a joint return, both must sign.		Date	Spouse's occupation
	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Pr
Firm's name (or yours if self-employed), address, and ZIP code			EIN	Phone no.

Figure 2: Resource Document for NAICS Code

a Control number		22222	Valid <input type="checkbox"/>	For Official Use Only OMB No. 1545-0008	
b Employee identification number (EIN)		✓		1 Wages, tips, other compensation	2 Federal income tax withheld
c Employer's name, address, and ZIP code		3 Social security wages		4 Social security tax withheld	
		5 Medicare wages and tips		6 Medicare tax withheld	
		7 Social security tips		8 Allocated tips	
d Employee's social security number		9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial		Last name		11 Nonqualified plans	
f Employee's address and ZIP code		13 (See instructions for box 12)		12a See instructions for box 12	
		14 Other		12b	
				12c	
15 State	Employee's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
				20 Locality name	

W-2 Wage and Tax Statement 2005 Department of the Treasury—Internal Revenue Service For Privacy Act and Paperwork Reduction

The occupation and industry classifications are available for each taxpayer in the sample, and as a quality check, SOI compares the IRS employment data estimates to those from the Bureau of Labor Statistics (BLS). Based on practical standards for comparing the BLS and IRS datasets, we have found that the IRS administrative employment data are reasonable (Sailer and Nuriddin, 1999). BLS and IRS employment data have been compared for each subsequent Taxpayer Industry and Occupation Study. In these comparisons, SOI has found the IRS employment data to be within a reasonable range.

3.2 The Methodology

Each tax year file comprises fix-length records containing 35 selected variables from the INSOLE file; 14 variables from the OCC file; and six generated indicator fields that represent quality data checks for merge procedures. We also have overlapped selected INSOLE and OCC variables to ensure data quality.

Tax return items shown in the tables in this article are classified by the occupation classification and industry sector of the primary taxpayer. This is true for both non-joint and joint returns.^{viii} Taxpayers decide which spouse will file as primary or secondary taxpayer on a joint return. This decision, however, has not always been theirs to make.^{ix}

The distribution of non-joint and joint returns has been about 60 percent non-joint and 40 percent joint for the tax years included in this research. On the joint returns 95 percent of the primary taxpayers have been male.

Additionally because we have the wage data and gender from the OCC file, we are able to compare that data to the tax return wage data obtained from the Form 1040 (the Salaries and Wage line). This comparison can be done on a taxpayer basis and by gender.

According to our preliminary analysis of the wage data, the gender composition appears to have been split at about 49 percent female and 51 percent male for these three tax years. Interestingly, W2-wages for males seem to have held at 63 percent of the total wages during these tax years. We also have been able to glimpse the predominately female and male occupation classifications and the predominately female and male industry sectors.

Figure 3: Predominately Female and Male Occupations with only W-2 data for Tax Year 2005

	Percent Women	Percent Men	Average Salary
Predominately Female Occupations			
Healthcare Support	91	9	19,222
Personal Care and Service	81	19	16,382
Healthcare Practitioners and Technical	76	24	59,522
Education, Training, and Library	75	25	35,174
Business and Financial Operations	64	36	49,887
Predominately Male Occupations			
Construction and Extraction	3	97	34,609
Installation, Maintenance, and Repair	8	92	35,619
Architecture and Engineering	12	88	71,576
Military	18	82	28,390
Protective Service	22	78	42,341

(All figures are estimates based on samples.)

Figure 4: Predominately Female and Male Industries with only W-2 data for Tax Year 2005

	Percent Women	Percent Men	Average Salary
Predominately Female Industries			
Education and Health Services	76	24	34,876
Financial Activities	56	44	54,438
Leisure and Hospitality	55	45	20,638
Predominately Male Industries			
Construction	14	86	36,901
Natural Resources and Mining	24	76	36,651
Military	25	75	35,281

(All figures are estimates based on samples.)

4. Research Results

Our main objective for this research was to see if we could create a new dataset by merging the SOI taxpayer industry and occupation file with an abbreviated version of the SOI individual sample file for three consecutive tax years. We were able to do so.

We have learned that in creating datasets, challenges and opportunities trek the same path. During our discovery of new data relationships, minor data anomalies surfaced within the merged datasets, and we expected this.^x There were numerous opportunities to identify these new data relationships and it has been most rewarding. For some of these results we provide a *glimpse* at the data in the tables that follow.

The tabulations presented at this time are designed to provide preliminary tax return data within the framework of the occupation and industry classification of the primary taxpayers. We hope these introductions provide you with an interesting perspective of tax filers in Tax Year 2005. Appropriate caution is necessary in the interpretation of the results derived by the authors.

We plan to continue our exploration and analyses of the datasets. We hope the new framework of tax return data by taxpayer occupation classification and industry sector will be helpful to the research community. We encourage researchers to use these new tools and to share their related experiences.

Acknowledgements

The authors would like to thank our colleagues who have worked on this study and helped SOI continue to generate "...Tax Data You Can Count On!"

The views expressed herein are those of the authors and do not necessarily represent those of the Internal Revenue Service.

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ⁱ *Statistics of Income*, 1916, Treasury Department, U. S. Internal Revenue Service, p. 7.

ⁱⁱ These research experiments were conducted during the 1960s and 1970s and were reported on in the series of notes for the Linked Administrative Statistical Sample Project sponsored by the Social Security Administration.

ⁱⁱⁱ Suggested readings include:

Crabbe, Patricia; Peter Sailer; and Beth Kilss (1983), "Occupation Data from Tax Returns: A Progress Report," *Statistics of Income and Related Administrative Record Research*, Internal Revenue Service, pp. 59-64.

Crabbe, Patricia; Peter Sailer; and Beth Kilss (1984), "Taxpayer Data Used to Study Wage Patterns by Sex and Occupation, 1969, 1974, and 1979," *Statistics of Income and Related Administrative Record Research*, Internal Revenue Service, pp. 43-48.

Clark, Bobby; Dodie Riley; and Peter Sailer (1989), "1979 Occupation Study/1979-1983 Mortality Study," *Statistics of Income and Related Administrative Record Research: 1988-1989*, Internal Revenue Service, pp. 181-187.

Sailer, Peter; Barry Windheim; and Mario Fernandez (1990), "Some Results from the 1979-1983 Occupational Mortality Study," *Proceedings of the Section on Survey Research Methods*, American Statistical Association Proceedings, pp. 63-68.

^{iv} That would be *Statistics of Income: Individual Income Tax Returns 2003*, Department of the Treasury, Internal Revenue Service; *Statistics of Income: Individual Income Tax Returns 2004*, Department of the Treasury, Internal Revenue Service; and *Statistics of Income: Individual Income Tax Returns 2005*, Department of the Treasury, Internal Revenue Service.

^v For Tax Year 1993, industry codes were based on the 4-digit 1987 Standard Industrial Classification (SIC) Codes. These SIC Codes were converted to 1997 6-digit North American Industry Classification System (NAICS) Codes. The 1997 NAICS Codes were updated to 2002

NAICS Codes. The industry data in this paper are based on the 2002 NAICS Codes.

^{vi} SOI also uses an “other occupation” category to classify nonworking taxpayers (such as STAY AT HOME DAD); working taxpayers whose jobs cannot be determined (such as W-2 EMPLOYEE); and INVESTORS, a category not included in traditional employment tabulations.

^{vii} The MOD is a repository comprising taxpayer occupational entries edited from tax returns and assigned occupation codes during previous processing years. For tax years in this research, the MOD contains the 2000 Standard Occupation Classification Codes (SOC) and the SOI codes to denote investors, unclassified persons, non-labor force groups, and deceased persons. It also contains the 2002 North American Industry Classification System (NAICS) Codes and the SOI code for an unclassifiable entity. The SOC Codes and, if needed, NAICS Codes, are associated with the taxpayer occupational entries.

^{viii} Non-joint returns include taxpayers who file as single, married filing separately, head of household or surviving widow(er). Joint returns represent married taxpayers filing jointly.

^{ix} The space for the secondary taxpayer occupation was introduced on the 1954 individual tax form to be used by the either a wife or a husband of the taxpayer. The following year it was designated for wives and remained so until 1967 when the term was changed to spouse. Except for reverting back to wife in 1972, the secondary space has been designated for the spouse since that time.

^x For a few records, slight variations surfaced in the merged dataset for age and gender. These were resolved by correction routines.

Table 1: Tax Year **2005** All Returns: Selected Sources of Income and Tax Items by Occupation Classification of Primary Taxpayer ¹
 (All figures are estimates based on samples. Money amounts are in thousands of dollars.)

Standard Occupation Classification (SOC) Code ²	Number of Returns	Adjusted Gross Income less Deficit	Salaries and Wages		Taxable Interest Received	
			Number of Returns	Amount	Number of Returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Management, Business, and Finance Occupations	16,553,331	1,907,633,464	15,188,393	1,260,007,533	9,475,114	50,835,577
Professional Specialty Occupations	12,594,527	1,214,378,078	11,885,479	924,081,818	7,404,567	13,660,343
Education, Training, and Library Occupations	3,958,229	219,726,941	3,869,295	188,773,181	2,068,547	2,361,202
Arts, Entertainment, Sports, and Media	2,861,600	179,695,589	2,546,298	139,272,212	1,351,226	2,506,802
Service Occupations	10,760,295	305,400,101	9,997,529	272,409,476	2,504,266	1,515,013
Sales and Office	20,017,828	1,014,864,717	18,856,362	781,264,740	7,176,151	15,184,266
Natural Resources, Construction, and Maintenance	11,491,686	514,971,948	10,291,316	432,053,135	3,952,854	3,412,698
Production, Transportation, and Material Moving	16,190,698	613,545,170	15,614,882	560,068,581	4,469,338	2,613,280
Military Specific Occupations	1,479,680	50,789,694	1,460,555	49,430,799	469,982	172,365
Investors	183,741	59,435,863	86,059	8,275,961	140,657	5,466,726
Unclassified Occupations	11,778,406	462,334,800	10,095,443	335,170,428	3,941,447	9,255,519
Non-labor Force	26,338,192	874,375,192	14,129,633	203,437,913	16,166,048	54,856,739
Deceased	164,464	5,344,108	49,637	1,161,595	129,162	592,188
Total	134,372,677	7,422,495,665	114,070,881	5,155,407,372	59,249,359	162,432,718
	Business or Profession				Basic Standard Deduction	
	Net Income		Net Loss			
Standard Occupation Classification (SOC) Code	Number of Returns	Amount	Number of Returns	Amount	Number of Returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Management, Business, and Finance Occupations	2,294,983	59,433,008	967,382	(12,426,410)	6,954,127	49,249,041
Professional Specialty Occupations	1,858,566	73,689,253	675,639	(5,305,249)	5,013,496	34,570,959
Education, Training, and Library Occupations	462,813	5,032,914	211,139	(1,151,574)	2,044,595	13,308,697
Arts, Entertainment, Sports, and Media	643,075	12,827,775	269,485	(1,653,099)	1,556,457	10,269,960
Service Occupations	1,429,578	14,580,153	290,495	(1,677,048)	8,373,158	53,212,644
Sales and Office	2,429,070	64,795,428	925,598	(8,550,747)	12,856,380	82,292,476
Natural Resources, Construction, and Maintenance	2,366,247	37,023,767	557,498	(4,282,743)	7,261,091	54,196,904
Production, Transportation, and Material Moving	1,502,701	17,299,099	523,358	(3,535,058)	11,736,831	84,655,587
Military Specific Occupations	43,219	264,813	29,888	(234,082)	1,174,681	8,409,989
Investors	20,455	1,100,894	15,361	(364,472)	64,480	446,214
Unclassified Occupations	1,389,112	18,828,798	389,436	(3,190,679)	8,325,368	54,891,913
Non-labor Force	1,301,423	9,758,816	451,898	(2,639,456)	19,364,054	117,859,790
Deceased	7,653	82,712	1,255	(5,757)	116,504	821,879
Total	15,748,895	314,717,430	5,308,432	-45,016,374	84,841,222	564,186,053

Footnotes at end of table.

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Table 1: Tax Year **2005** All Returns: Selected Sources of Income and Tax Items by Occupation Classification of Primary Taxpayer
(All figures are estimates based on samples. Money amounts are in thousands of dollars.)

Standard Occupation Classification (SOC) Code	Total Itemized Deductions		Taxable Income		Income Tax Before Credits	
	Number of Returns	Amount	Number of Returns	Amount	Number of Returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)
Management, Business, and Finance Occupations	9,285,816	291,144,343	14,797,334	1,509,174,498	14,804,334	338,660,907
Professional Specialty Occupations	7,492,096	188,310,667	11,659,292	915,355,438	11,662,571	192,625,699
Education, Training, and Library Occupations	1,888,607	35,611,484	3,495,318	148,525,660	3,494,195	24,784,856
Arts, Entertainment, Sports, and Media	1,257,818	29,934,525	2,415,717	125,232,828	2,416,762	24,790,321
Service Occupations	2,315,579	43,624,356	7,189,823	161,000,072	7,186,570	23,905,807
Sales and Office	6,948,821	157,631,870	16,010,638	685,785,853	16,017,092	129,664,241
Natural Resources, Construction, and Maintenance	4,117,066	78,276,241	9,204,322	311,194,818	9,208,899	48,738,151
Production, Transportation, and Material Moving	4,371,910	75,042,712	12,741,577	353,737,770	12,742,191	52,029,934
Military Specific Occupations	295,178	5,425,698	1,242,284	27,808,755	1,242,587	3,867,846
Investors	105,976	11,148,705	143,340	49,728,006	143,782	10,794,850
Unclassified Occupations	3,225,172	68,169,449	8,330,310	290,838,412	8,331,821	50,721,148
Non-labor Force	6,407,260	136,201,325	17,011,528	555,671,855	17,005,987	89,062,950
Deceased	44,129	1,289,560	89,166	3,111,907	89,174	505,058
Total	47,755,428	1,121,810,935	104,330,649	5,137,165,872	104,345,965	990,151,768

Footnotes

[1] For joint returns, the occupation classification is based on the primary taxpayer. For example, if the primary taxpayer lists his or her occupation as police officer (coded in Service Occupations), and the spouse is not classified in the same category, the return will be classified in the Service Occupations.

[2] Standard Occupation Classification (SOC) Codes at the major level (two-digit level) in high level aggregation:

Management, Business, and Finance Occupations (11 and 13); Professional Specialty Occupations (15, 17, 19, 21, 23, 29) and Education, Training, and Library Occupations (25) and Arts, Entertainment, Sports, and Media (27); Service Occupations (31, 33, 35, 37, and 39); Sales and Office (41, 43); Natural Resources, Construction, and Maintenance (45, 47, 49); Production, Transportation, and Material Moving (51, 53); and Military Specific Occupations (55); and Investors (92 - SOI only). SOI unclassified occupations include government and private employees whose jobs cannot be determined (97); self-employed persons whose jobs cannot be determined (8850); and Form 1040 occupation lines which are left empty (8895) or filled in with indiscernible data (88). SOI non-labor force codes include retired and disabled persons (93); unemployed persons (9350); volunteers (9390); house spouses and homemakers (94); and students (95). SOI code 96 represents deceased taxpayers.

For further information visit the Bureau of Labor Statistics at www.bls.gov/soc.

NOTE: Detail may not add to totals because of rounding.

Source: SOI Individual Income Tax Returns, Tax Year 2005.

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The views expressed herein are those of the authors and do not necessarily represent those of IRS.

Table 2: Tax Year **2005** All Returns: Selected Sources of Income and Tax Items by Industry Sector of Primary Taxpayer ¹
 (All figures are estimates based on samples. Money amounts are in thousands of dollars.)

North American Industry Classification System (NAICS) Code ²	Number of Returns	Adjusted Gross Income less Deficit	Salaries and Wages		Taxable Interest Received	
			Number of Returns	Amount	Number of Returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Natural Resources and Mining	1,609,928	114,642,237	1,473,826	66,860,739	652,018	3,516,493
Construction	8,248,183	442,450,247	7,099,246	319,464,109	2,956,041	6,143,926
Manufacturing	12,951,508	917,687,168	12,857,746	771,012,760	6,059,608	9,744,405
Trade, Transportation, and Utilities	20,254,690	976,698,067	19,207,787	765,914,932	7,112,822	13,596,026
Information	2,493,600	214,051,363	2,436,119	167,752,844	1,198,350	3,001,265
Financial Activities	7,269,338	708,464,720	6,728,430	458,914,730	3,625,037	19,321,961
Professional and Business Services	17,355,382	1,109,508,573	16,199,858	809,074,983	6,898,224	17,701,750
Education and Health Services	14,346,698	760,900,052	13,819,479	616,033,547	5,877,934	6,943,401
Leisure and Hospitality	8,915,641	275,654,748	8,574,767	211,730,063	2,234,703	4,524,078
Other Services	5,937,039	221,812,160	5,054,636	165,863,922	2,159,933	3,041,427
Government	7,457,452	426,530,420	7,455,462	381,955,609	3,812,279	3,288,981
Military	2,402,145	109,223,434	2,386,339	102,871,237	984,023	688,349
Unclassified - SOI only	25,131,074	1,144,872,470	10,777,183	317,957,894	15,678,386	70,920,652
Total	134,372,678	7,422,495,659	114,070,878	5,155,407,369	59,249,358	162,432,714
North American Industry Classification System (NAICS) Code	Business or Profession				Basic Standard Deduction	
	Net Income		Net Loss		Number of Returns	Amount
	Number of Returns	Amount	Number of Returns	Amount		
	(7)	(8)	(9)	(10)	(11)	(12)
Natural Resources and Mining	268,486	5,631,341	117,049	(1,908,016)	1,161,656	8,766,346
Construction	2,311,481	38,992,751	484,821	(4,552,981)	4,921,125	35,715,348
Manufacturing	915,195	11,781,652	529,065	(3,830,037)	7,311,189	53,984,160
Trade, Transportation, and Utilities	2,505,069	39,773,135	1,051,452	(8,991,639)	13,546,034	86,500,538
Information	322,723	5,145,500	153,055	(1,576,042)	1,218,717	7,871,032
Financial Activities	1,257,453	49,131,893	453,452	(5,549,949)	3,649,134	24,282,289
Professional and Business Services	3,128,541	73,205,112	955,709	(7,521,743)	10,518,347	68,372,342
Education and Health Services	1,536,656	42,540,646	383,964	(2,609,251)	8,987,045	56,582,032
Leisure and Hospitality	852,337	13,135,812	362,458	(3,327,340)	7,248,204	40,703,930
Other Services	1,517,053	19,242,017	300,239	(1,907,117)	4,046,487	26,448,527
Government	324,657	4,153,335	216,860	(1,313,660)	3,829,340	26,393,327
Military	82,059	715,792	66,304	(349,960)	1,656,726	11,755,229
Unclassified - SOI only	727,188	11,268,445	234,007	(1,578,639)	16,747,218	116,810,957
Total	15,748,898	314,717,431	5,308,435	(45,016,374)	84,841,222	564,186,057

Footnotes at end of table.

Table 2: Tax Year **2005** All Returns: Selected Sources of Income and Tax Items by Industry Sector of Primary Taxpayer
 (All figures are estimates based on samples. Money amounts are in thousands of dollars.)

North American Industry Classification System (NAICS) Code	Total Itemized Deductions		Taxable Income		Income Tax Before Credits	
	Number of Returns	Amount	Number of Returns	Amount	Number of Returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)
Natural Resources and Mining	421,587	12,813,963	1,260,484	85,734,565	1,261,349	17,487,554
Construction	3,210,663	70,587,018	6,434,054	290,996,645	6,436,785	55,104,641
Manufacturing	5,597,491	121,971,391	11,771,167	654,840,687	11,773,662	126,535,711
Trade, Transportation, and Utilities	6,499,380	141,713,956	15,681,890	655,517,054	15,682,445	123,448,573
Information	1,258,649	33,464,910	2,233,554	159,578,511	2,234,321	32,044,702
Financial Activities	3,520,287	112,584,595	6,258,819	544,433,293	6,260,590	121,736,659
Professional and Business Services	6,700,523	167,710,560	13,588,556	794,058,164	13,590,969	160,561,968
Education and Health Services	5,278,120	112,338,164	11,566,116	521,436,679	11,564,314	101,285,286
Leisure and Hospitality	1,554,411	37,543,947	5,465,084	174,086,812	5,464,571	34,295,109
Other Services	1,809,530	35,491,100	4,032,836	134,461,414	4,032,018	22,941,760
Government	3,598,876	71,086,536	6,747,611	281,784,130	6,749,899	45,664,160
Military	732,734	14,233,318	2,079,249	68,103,323	2,080,600	10,664,968
Unclassified - SOI only	7,573,177	190,271,478	17,211,236	772,134,596	17,214,446	138,380,675
Total	47,755,428	1,121,810,936	104,330,656	5,137,165,873	104,345,969	990,151,766

Footnotes

[1] For joint returns, the industry sector is based on the primary taxpayer. For example, if the primary taxpayer's industry sector is Government and the spouse is not in Government, the spouse's wages will be classified in Government.

[2] North American Industry Classification System (NAICS) Code at the industry sector level (two-digit level):

Natural Resources and Mining (11 and 21); Construction (23); Manufacturing (31, 32, and 33); Trade (42, 44, and 45), Transportation (48 and 49 except U.S. Post Office 491), and Utilities (22); Information (51); Financial Activities (52 except Federal Reserve Banks 521) and Real Estate (53); Professional and Business Services (54, 55, and 56); Education (61 - private) and (923110 - public) and Health Services (62); Leisure (71) and Hospitality (72); Other Services (81); Government (92 except 92310 and including 491 and 521); Military (928); and Unclassified - SOI only (999999).

For further information visit the U.S. Census Bureau at www.census.gov/eos/www/naics.

NOTE: Detail may not add to totals because of rounding.

Source: SOI Individual Income Tax Returns, Tax Year 2005.

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Table 3: Tax Year **2005** All Returns: Number of Returns Using A Paid Preparer by Occupation Classification of Primary Taxpayer ¹
(All figures are estimates based on samples.)

Standard Occupation Classification (SOC) Code ²	Number of Returns	Returns Using A Paid Preparer	Paid Preparer Usage Percentage
	(1)	(2)	(3)
Management, Business, and Finance Occupations	16,553,331	9,317,233	56%
Professional Specialty Occupations	12,594,527	6,427,420	51%
Education, Training, and Library	3,958,229	1,957,285	49%
Arts, Design, Entertainment, Sports, and Media	2,861,600	1,619,639	57%
Service Occupations	10,760,295	6,305,227	59%
Sales and Office	20,017,828	11,277,042	56%
Natural Resources, Construction, and Maintenance	11,491,686	7,792,594	68%
Production, Transportation, and Material Moving	16,190,698	10,414,755	64%
Military Specific Occupations	1,479,680	590,819	40%
Investors	183,741	154,891	84%
Unclassified Occupations	11,778,406	8,381,871	71%
Non-labor Force	26,338,192	15,662,003	59%
Deceased	164,464	131,746	80%
Total	134,372,677	70,715,292	53%

Footnotes

[1] For joint returns, the occupation classification is based on the primary taxpayer. For example, if the primary taxpayer lists his or her occupation as retired (coded as Non-labor Force) and the spouse is not, the return will be classified as as Non-Labor Force.

[2] Standard Occupation Classification (SOC) Codes at the major level (two-digit level) in high level aggregation: Management, Business, and Finance Occupations (11 and 13); Professional Specialty Occupations (15, 17, 19, 21, 23, 29) and Education, Training, and Library Occupations (25) and Arts, Entertainment, Sports, and Media (27); Service Occupations (31, 33, 35, 37, and 39); Sales and Office (41, 43); Natural Resources, Construction, and Maintenance (45, 47, 49); Production, Transportation, and Material Moving (51, 53); and Military Specific Occupations (55); and Investors (92 - SOI only). SOI unclassified occupations include government and private employees whose jobs cannot be determined (97); self-employed persons whose jobs cannot be determined (8850); and Form 1040 occupation lines which are left empty (8895) or filled in with indiscernible data (88). SOI non-labor force codes include retired and disabled persons (93); unemployed persons (9350); volunteers (9390); house spouses and homemakers (94); and students (95). SOI code 96 represents deceased taxpayers.

For further information visit the Bureau of Labor Statistics at www.bls.gov/soc.

NOTE: Detail may not add to totals because of rounding.

Source: SOI Individual Income Tax Returns, Tax Year 2005.

For addition information contact Terry M Nuriddin at Terry.M.Nuriddin@irs.gov; Mario Fernandez at Mario.Fernandez@irs.gov; or Mary E. Jezek at Mary.E.Jezek@irs.gov

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Table 4: Tax Year **2005** Form 1040 Tax Forms for Total Returns Using A Paid Preparer
by Industry Classification of Primary Taxpayer ¹
(All figures are estimates based on samples.)

NAICS Description ²	Total Returns Using A Paid Preparer	Form 1040	Form 1040A	Form 1040EZ
	(1)	(2)	(3)	(4)
Natural Resources and Mining	1,152,779	744,280	301,646	106,853
Construction	5,729,053	4,292,521	942,379	494,154
Manufacturing	7,632,207	4,905,280	1,955,155	771,772
Trade, Transportation, and Utilities	11,983,573	7,591,224	2,725,272	1,667,077
Information	1,311,506	1,016,701	217,929	76,875
Financial Activities	4,196,841	3,154,159	756,857	285,824
Professional and Business Services	9,935,025	6,557,568	2,292,035	1,085,423
Education and Health Services	7,947,600	5,053,602	2,216,661	677,337
Leisure and Hospitality	4,828,756	2,407,699	1,361,721	1,059,336
Other Services	3,656,189	2,604,144	704,572	347,473
Government	3,977,727	2,830,881	860,731	286,115
Unclassified	16,732,046	12,222,062	3,753,615	756,369
Military	949,226	455,372	291,861	201,993
Total	80,032,527	53,835,493	18,380,433	7,816,601

Footnotes

[1] For joint returns, the industry sector is based on the primary taxpayer. For example, if the primary taxpayer's industry sector is Government and the spouse is not, the the return will be classified as Government.

[2] North American Industry Classification System (NAICS) Code at the industry sector level (two-digit level): Natural Resources and Mining (11 and 21); Construction (23); Manufacturing (31, 32, and 33); Trade (42, 44, and 45), Transportation (48 and 49 except U.S.Post Office 491), and Utilities (22); Information (51); Financial Activities (52 except Federal Reserve Banks 521) and Real Estate (53); Professional and Business Services (54, 55, and 56); Education (61 - private) and (923110 - public) and Health Services (62); Leisure (71) and Hospitality (72); Other Services (81); Government (92 except 92310 and including 491 and 521); Military (928); and Unclassified - SOI only (999999).

For further information visit the U.S. Census Bureau at www.census.gov/eos/www/naics.

NOTE: Detail may not add to totals because of rounding.

Source: SOI Individual Income Tax Returns, Tax Year **2005**.

For addition information contact Terry M Nuriddin at Terry.M.Nuriddin@irs.gov; Mario Fernandez at Mario.Fernandez@irs.gov; or Mary E. Jezek at Mary.E.Jezek@irs.gov

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