

Corporate Income Tax Liability for Tax Year 2018

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	55,884	11,595	20.7%
\$1 under \$500.....	7,829	1,569	20.0%
\$500 under \$1,000	4,829	956	19.8%
\$1,000 under \$5,000	17,223	3,496	20.3%
\$5,000 under \$10,000.....	10,086	2,016	20.0%
\$10,000 under \$25,000.....	19,143	3,805	19.9%
\$25,000 under \$50,000.....	14,385	2,812	19.5%
\$50,000 under \$100,000	16,854	3,294	19.5%
\$100,000 under \$250,000	25,808	4,773	18.5%
\$250,000 under \$500,000	26,192	4,679	17.9%
\$500,000 under \$2,500,000	126,275	20,836	16.5%
\$2,500,000 or more	1,632,171	184,856	11.3%
Total	1,956,679	244,687	

Tax Gap

The gross tax gap is the difference between the amount of tax imposed by law and what taxpayers actually pay on time. The tax gap provides an estimate of the level of overall noncompliance and voluntary compliance during the relevant tax periods. Tax gap estimates provide periodic appraisals about the nature and extent of noncompliance for use in formulating tax administration strategies. Estimating the tax gap is inherently challenging and requires assessing the merits of alternative methods, assumptions, and data sources. There is no single approach that can be used for estimating all the components of the tax gap, so multiple methods are used. The most recent estimates covering the Tax Year 2011-2013 timeframe were released in FY 2019.

The gross tax gap is the amount of a tax liability that is not paid voluntarily and on time. The estimated annual average gross tax gap is \$441.0 billion. The gross tax gap is comprised of three components: non-filing, underreporting, and underpayment. The estimated gross tax gap for each of these components is \$39.0 billion, \$352.0 billion, and \$50.0 billion, respectively. The gross tax gap estimates are also segmented by type of tax; individual income tax, corporation income tax, employment tax, and estate and excise tax. The estimated gross tax gap for each of these types of tax is \$314.0 billion, \$42.0 billion, \$81.0 billion, and \$4.5 billion, respectively.¹

The net tax gap is the gross tax gap less tax that subsequently will be paid either late through voluntary payments or collected through IRS administrative and enforcement activities and is the portion of the gross tax gap that will not be paid. It is estimated that \$60.0 billion of the gross tax gap will eventually be paid resulting in a net tax gap of \$381.0 billion. The net tax gap estimates are also segmented by type of tax; individual income tax, corporation income tax, employment tax, and estate and excise tax. The estimated net tax gap for each of these types of tax is \$271.0 billion, \$32.0 billion, \$77.0 billion, and \$1.0 billion, respectively. For additional information on the tax gap, refer to Treasury's financial statements.

¹ Individual amounts may not add to totals due to rounding.