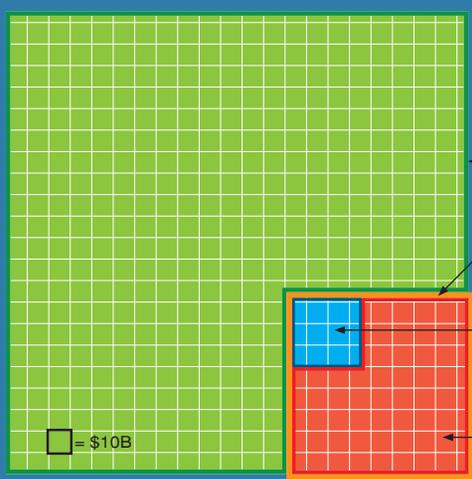


Tax Gap Projections for Tax Year 2022

(Money amounts are in billions of dollars. These figures will be updated as more complete compliance data become available)



Research, Applied Analytics & Statistics



Estimated Total True Tax Liability*
\$4,635B

Tax Paid Voluntarily & Timely
\$3,939B 85.0% Voluntary Compliance Rate (VCR)

Gross Tax Gap
\$696B

Enforced & Other Late Payments
\$90B

Net Tax Gap (Tax Not Collected)
\$606B 86.9% Net Compliance Rate (NCR)

Calculating the Net Tax Gap

Nonfiling
Underreporting
+ Underpayment

Gross Tax Gap

- **Enforced & Other Late Payments**

Net Tax Gap

Total True Tax Liability	Tax Paid Voluntarily & Timely	Gross Tax Gap						Enforced & Other Late Payments	Net Tax Gap (Tax Not Collected)			
\$4,635	\$3,939	Nonfiling	Underreporting			Underpayment	Gross Tax Gap	\$90	\$606			
		\$63	+\$539			+\$94	= \$696	- \$90	= \$606			
By Type of Tax		Individual Income Tax	Individual Income Tax						Individual Income Tax	Individual Income Tax		
\$2,557	\$2,042	\$53	+\$381						+\$80	= \$514	- \$68	= \$447
			Business Income	Non-Business Income	Credits	Income Offsets [1]	Filing Status	Other Taxes [2]	Unallocated Marginal Effects [3]			
			\$194	\$87	\$48	\$27	\$7	\$4	\$15			
Corporation Income Tax	Corporation Income Tax	Corporation Income Tax	Corporation Income Tax						Corporation Income Tax	Corporation Income Tax		
\$392	\$342	#	+\$44						+\$6	= \$50	- \$10	= \$40
			Large Corporations	Small Corporations								
			\$25	\$19								
Employment Tax	Employment Tax	Employment Tax [4]	Employment Tax			Employment Tax	Employment Tax	Employment Tax	Employment Tax	Employment Tax	Employment Tax	
\$1,585	\$1,459	\$9	+\$111			+\$6	= \$127	- \$8	= \$119			
			Self-Employment Tax	FICA & Uncollected FICA TAX	FUTA							
			\$71	\$39	\$1							
Estate Tax	Estate Tax	Estate Tax	Estate Tax		Estate Tax	Estate Tax	Estate Tax	Estate Tax	Estate Tax	Estate Tax	Estate Tax	
\$35	\$30	\$1	+\$2		+\$1	= \$5	- \$4	= \$0.4				

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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