

Corporate Income Tax Liability for Tax Year 2019

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	26,676	5,240	19.6%
\$1 under \$500	8,235	1,669	20.0%
\$500 under \$1,000	5,279	1,080	20.5%
\$1,000 under \$5,000	18,004	3,629	20.2%
\$5,000 under \$10,000	11,642	2,281	19.6%
\$10,000 under \$25,000	15,884	3,122	19.7%
\$25,000 under \$50,000	14,549	2,821	19.4%
\$50,000 under \$100,000	16,588	3,166	19.1%
\$100,000 under \$250,000	25,381	4,781	18.8%
\$250,000 under \$500,000	25,573	4,652	18.2%
\$500,000 under \$2,500,000	111,437	19,156	17.2%
\$2,500,000 or more	1,453,939	205,533	14.1%
Total.....	1,733,187	257,130	

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 2014-2016 timeframe were released in FY 2022.

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 \$496.0 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, \$398.0 billion, and \$59.0 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 \$357.0 billion, \$41.0 billion, \$93.0 billion, and \$5.0 billion, respectively.

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 \$68.0 billion of the gross tax gap will eventually be paid resulting in a net tax gap of \$428.0 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 \$306.0 billion, \$34.0 billion, \$87.0 billion, and \$2.0 billion, respectively.¹ For additional information on the tax gap, refer to Treasury's financial statements.

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