The Treasury Personal Individual Income Tax Simulation Model

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THE TREASURY PERSONAL INDIVIDUAL INCOME TAX SIMULATION MODEL

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1. AN INTRODUCTION TO THE INCOME TAX SIMULATION MODEL.

1.1. FEDERAL INCOME TAX.

THE FEDERAL INDIVIDUAL INCOME TAX IS HIGHLY COMPLEX WITH MANY INTERACTING VARIABLES. THIS MAKES ASSESSMENT OF THE EFFECTS OF PROPOSED CHANGES RATHER DIFFICULT. FOR EXAMPLE, IN CONNECTION WITH A PARTICULAR PROPOSED CHANGE IN THE TAX LAW, IT IS IMPERATIVE TO KNOW HOW THE CHANGE IS LIKELY TO AFFECT THE DISTRIBUTION OF INCOME AFTER TAX, HOW EFFICIENTLY THE CHANGE WILL OPERATE IN ACHIEVING ITS OBJECTIVE, WHAT EFFECT THE CHANGE IS LIKELY TO HAVE ON PRIVATE ECONOMIC DECISIONS AND WHAT THESE EFFECTS IMPLY AS TO THE LEVEL AND COMPOSITION OF GNP.

THE ANALYSIS OF THE YIELD OF STRUCTURAL CHARACTERISTICS OF MOST TAXES HAS BEEN BASED ON ESTIMATED RELATIONSHIPS AMONG CHANGES IN ECONOMIC AGGREGATES, SUCH AS GNP, PERSONAL INCOME, TOTAL CONSUMPTION, ADJUSTED GROSS INCOME, AND CORPORATE PROFITS. HOWEVER, CERTAIN TYPES OF PREDICTIONS BASED ON ESTIMATED RELATIONSHIPS AMONG SUCH ECONOMIC TIME SERIES HAVE NOT PROVED VERY SUCCESSFUL. IT IS WHEN ONE DESIRES TO ESTIMATE THE EFFECT OF A CHANGE IN THE TAX STRUCTURE AS OPPOSED TO A FORECAST UNDER A CONSTANT STRUCTURE THAT DIFFICULTIES ARISE. FIRST, THERE ARE NO TIME SERIES AVAILABLE UPON WHICH TO BASE A REGRESSION EQUATION BECAUSE THE STRUCTURAL CHANGE BEING INVESTIGATED USUALLY HAS NO HISTORY. SECOND, IF AN ATTEMPT IS MADE TO ADJUST PAST DATA SO THAT THEY REFLECT THE PROPOSED CHANGE, ONE USUALLY FINDS THAT THIS IS IMPOSSIBLE DUE TO THE COMPLEXITY OF THE INTERRELATIONS AMONG THE INCOME AND DEDUCTION VARIABLES OF THE INCOME TAX SYSTEM.

AS AN ILLUSTRATION OF THIS COMPLEX INTERRELATION CONSIDER AN INCOME TAX SIMPLIFICATION AND REFORM MEASURE WHERE IT HAS BEEN PROPOSED THAT THE LAW BE CHANGED FOR JOINT RETURNS AS FOLLOWS

(A) INCREASE THE FLAT STANDARD DEDUCTION FROM $3,200 TO $3,800,
(B) IMPOSE A FLOOR EQUAL TO 5 PERCENT OF AGI ON ITEMIZED DEDUCTIONS, AND
(C) ELIMINATE GASOLINE TAXES AS AN ALLOWABLE DEDUCTION.

BEFORE PROCEEDING WITH OUR EXAMPLE, LET US ESTABLISH THE FOLLOWING ABBREVIATIONS:

SD FOR THE STANDARD DEDUCTION
AGI FOR ADJUSTED GROSS INCOME

ID(I) FOR THE I-TH ITEMIZED DEDUCTION CATEGORY
ID FOR TOTAL ITEMIZED DEDUCTIONS
TG FOR GASOLINE TAX EXPENSE

WITH THESE ABBREVIATIONS, WE CAN INITIALLY EXPRESS THE PRESENT TAX LAW AS SHOWN BELOW:

(1.1.1) SD = $3,200

(1.1.2) ID = THE SUM OF ID(I) AS I=1, ..., 5

THE SYSTEM OF EQUATIONS, 1.1.1 THROUGH 1.1.2, REPRESENTS THE BASIC CALCULATIONS FOR EACH ITEM INDICATED TO THE LEFT OF THE EQUALS SIGN. THIS SYSTEM OF EQUATIONS IS, HOWEVER, INCOMPLETE BECAUSE THE PRESENT TAX LAW ALLOWS THE TAXPAYER TO CHOOSE THE LARGER OF HIS ITEMIZED DEDUCTIONS OR HIS STANDARD DEDUCTION. INCORPORATING THIS PROVISION OF THE PRESENT TAX LAW YIELDS THE FOLLOWING EQUATION NEEDED TO COMPLETE THE SYSTEM.

(1.1.3) TOTAL DED. = THE MAXIMUM OF ID OR SD

TURNING NOW TO THE HYPOTHETICAL SIMPLIFICATION AND REFORM PROPOSAL DESCRIBED EARLIER, THE FIRST PROVISION, (A) CAN BE REPRESENTED BY MODIFYING EQUATION 1.1.1 AS SHOWN BELOW:

(1.1.4) SD = $3,800

MODIFYING EQUATION 1.1.2, WE CAN INCORPORATE PROVISION (B) AND (C) AS

(1.1.5) ID = MAXIMUM OF 0 OR THE SUM OF ID(I) -TG - 0.05(AGI)
AS I = 1, ..., 5

WITH EQUATION 1.1.3 REMAINING THE SAME.

FROM THE AGGREGATE DATA IT MAY BE POSSIBLE TO DERIVE A REASONABLE ESTIMATE OF EACH OF THESE CHANGES IN ISOLATION BUT ESTIMATING THEIR COMBINED EFFECT IS A PROBLEM OF MUCH GREATER DIFFICULTY. SINCE THE JOINT DISTRIBUTION OF GASOLINE TAXES AND OTHER ITEMIZED DEDUCTIONS BY ADJUSTED GROSS INCOME CLASS CANNOT BE INFERRED FROM THE AGGREGATE DATA CONTAINED IN THE "STATISTICS OF INCOME", IT IS IMPOSSIBLE TO GET EITHER A GOOD ESTIMATE OF THE NUMBER OF TAXPAYERS WHO WILL SWITCH FROM ITEMIZATION TO THE STANDARD DEDUCTION OR THE REVENUE CHANGE INVOLVED.

HENCE, IT IS APPARENT THAT A MICROANALYSIS IN THE SENSE OF A STUDY OF THE FUNDAMENTAL INTERACTING PARAMETERS AND DECISION RULES OF A TAX STRUCTURE APPLIED TO INDIVIDUAL TAXPAYERS IS NEEDED. THIS TYPE OF ANALYSIS HAS RECIEVED TREMENDOUS IMPETUS IN RECENT YEARS FROM THE DEVELOPMENT OF HIGH SPEED COMPUTING EQUIPMENT AND IS

OFTEN REFERRED TO AS SIMULATION.

THE OFFICE OF TAX ANALYSIS, OFFICE OF THE SECRETARY OF THE TREASURY HAS DEVELOPED A SIMULATION OF THE INDIVIDUAL INCOME TAX USING THE APPROACH OUTLINED ABOVE. THE ESSENTIAL CHARACTERISTICS OF THIS SIMULATION ARE THE REPRESENTATION OF A LARGE NUMBER OF MICRO-COMPONENTS (TAXPAYING UNITS) BY A PROBABILITY SAMPLE AND THE USE OF HIGH SPEED COMPUTING EQUIPMENT FOR EACH MANIPULATION OF THE SAMPLE REQUIRED BY ALTERNATIVE TAX FUNCTIONS AND PARAMETERS. THE PROBABILITY SAMPLE ALLOWS THE RESULTS OBTAINED FROM THE SIMULATION TO BE WEIGHTED TO REPRESENT THE UNIVERSE OF TAXPAYERS.

FROM A RESEARCH POINT OF VIEW, THIS SIMULATION HAS PROVED OF GREAT IMPORTANCE BECAUSE IT HAS INCREASED THE RANGE AND SCOPE OF FEASIBLE PREDICTIONS. IT THUS MAKES POSSIBLE MORE EXTENSIVE TESTING OF THE HYPOTHESIS AND THEORIES WHICH CAN BE EMBODIED IN THE SIMULATION. FROM A POLICY POINT OF VIEW, SIMULATION WAS ESSENTIAL BECAUSE POLICYMAKERS IN THE TAX AREA USUALLY REQUIRE PREDICTIONS ABOUT THE COMBINED EFFECT OF MANY INTERACTING CHANGES.

1.2. THE TAX MODEL.

THE TREASURY'S SIMULATION OF THE INDIVIDUAL INCOME TAX IS ACCOMPLISHED BY MEANS OF A SIMULATION MODEL. THIS MODEL CONSISTS OF THREE MAJOR COMPONENTS: A DATA FILE OF INDIVIDUAL INCOME TAX RETURNS, A SET OF INPUT PARAMETERS, AND A COMPUTER PROGRAM.

THE DATA FILE CURRENTLY IN USE REPRESENTS INDIVIDUALS WHO FILED FOR THE CALENDAR YEAR 1975 AND IS A STRATIFIED RANDOM SAMPLE OF 50,000 INCOME TAX RETURNS SELECTED FROM THE LARGER SAMPLE OF OVER 206,000 RETURNS USED TO PREPARE THE TABULATIONS PUBLISHED IN THE STATISTICS OF INCOME. EACH COMPUTATION IN THE SIMULATION IS BASED ON THIS DATA AND IS WEIGHTED TO YEILD RESULTS THAT ARE REPRESENTATIVE OF THE POPULATION FILING RETURNS IN THE YEAR THE SAMPLE WAS SELECTED. CHAPTER 2 OF THIS DOCUMENTATION PROVIDES A DESCRIPTION OF THE DATA IN THIS SAMPLE.

IT SHOULD BE APPARENT THAT THE RESULTS OF THE SIMULATION ARE BASED ON THE EXOGENOUSLY GIVEN LEVEL AND DISTRIBUTION OF INCOME AND DEDUCTIONS FOR THE CALENDAR YEAR 1975 AS PORTRAYED IN THE DATA FILE. THE TREASURY, HOWEVER, ALONG WITH MOST OTHER STUDENTS OF TAXATION AND FISCAL POLICY, IS CONSIDERABLY MORE INTERESTED IN THE FUTURE THAN IN THE PAST. WHENEVER SOME ACTION IS TAKEN, IT WILL AFFECT THE FUTURE AND ITS APPROPRIATENESS WILL BE INFLUENCED BY WHAT THE TAX SYSTEM AND THE ECONOMY WOULD OTHERWISE BE DOING IN THE FUTURE. SENSIBLE POLICIES CANNOT BE GEARED TO THE PRESENT FOR DOING SO IMPLIES THAT WE EXPECT THE FUTURE TO BE LIKE THE PRESENT AND THE NEEDS OF THE FUTURE TO BE THE SAME AS THOSE OF THE

PRESENT. MORECVER, POLICYMAKING IS A RECURRENT PROCESS. IN ORDER TO EVALUATE A PARTICULAR POLICY'S PERFORMANCE OVER TIME, IT IS DESIRABLE TO HAVE A BENCHMARK THAT WOULD INDICATE HOW THE POLICY WAS INITIALLY EXPECTED TO PERFORM. TO ACCOMPLISH THESE OBJECTIVES, IT WAS NECESSARY TO DEVELOP A METHODOLOGY BY WHICH THE LEVEL AND DISTRIBUTION OF INCOME, DEDUCTIONS, ETC., COULD BE EXTRAPOLATED TO REPRESENT THE VALUES OF THESE ITEMS IN FUTURE YEARS. THIS HAS BEEN DONE AND TESTED WITH VERY GOOD RESULTS. THE EXTRAPOLATION METHODOLOGY IS DESCRIBED IN DETAIL IN CHAPTER 3.

IN ADDITION, SOME TAX PROPOSALS ARE CONCERNED WITH INCOME OR DEDUCTION ITEMS THAT ARE NOT PART OF THE PRESENT INCOME TAX STRUCTURE OR THAT DO NOT APPEAR ON THE RETURN FOR VARIOUS REASONS. SOME EXAMPLES ARE SOCIAL SECURITY BENEFITS, INTEREST INCOME FROM STATE AND LOCAL BONDS, THE EXCESS OF PERCENTAGE DEPLETION OVER COST, INTANGIBLE DRILLING EXPENSES, EXCESS OF DEPRECIATION OVER STRAIGHT LINE FOR REAL ESTATE, AND THE APPRECIATION OVER BASIS FOR GIFTS OF APPRECIATED PROPERTY. IF ANALYSIS OF TAX PROPOSALS CONCERNING THESE ITEMS IS TO BE UNDERTAKEN WITHIN THE MICRO-ANALYTIC FRAMEWORK OF OUR MODEL THEN SOME METHOD OF IMPUTING MISSING DATA TO INDIVIDUAL RETURNS IN THE SAMPLE MUST BE DEVELOPED. THIS HAS ALSO BEEN DONE AND IS THE SUBJECT OF CHAPTER 4.

THE SECOND COMPONENT OF THE MODEL, THE SET OF INPUT PARAMETERS, CONTAINS RATE SCHEDULES, VALUES FOR THE PERCENTAGE STANDARD DEDUCTION AND THE MINIMUM STANDARD DEDUCTION, VARIABLE FLOORS AND CEILINGS FOR DEDUCTIONS, PARAMETERS INVOLVED IN THE TREATMENT OF CAPITAL GAINS, DIVIDENDS, EXEMPTIONS, AND MANY OTHERS. SOME OF THESE PARAMETERS ARE DEFINED IN PRESENT LAW, OTHERS ARE NOT. IN THIS RESPECT, THE PARAMETER SET IS NOT A REFLECTION OF A SPECIFIC INCOME TAX BUT RATHER A GENERALIZED STRUCTURE SUCH THAT THE PRESENT LAW IS A PROPER SUBSET. A DOCUMENTATION OF THE INPUT PARAMETER SET IS PROVIDED IN CHAPTER 6.

THE LAST COMPONENT IN THE TAX MODEL IS THE COMPUTER PROGRAM. THE COMPUTER PROGRAM (DESCRIBED IN CHAPTER 5) CONSISTS OF THREE SETS OF INSTRUCTIONS. THE FIRST SET OF INSTRUCTIONS READS ALL OF THE TAX PARAMETERS AND EMPLOYS THEM TO DEFINE THE TAX FUNCTIONS CONTAINED IN THE SECOND SET OF INSTRUCTIONS. THE SECOND SET OF INSTRUCTIONS SEQUENTIALLY READS THE DATA FILE OF INCOME TAX RETURNS AND CALCULATES A SERIES OF OUTPUT VALUES FOR EACH RETURN. THESE VALUES ARE AGGREGATED AND RETAINED FOR THE THIRD SET OF INSTRUCTIONS WHICH PRINTS THE VALUES IN TABULAR FORM. EACH TABLE THAT MAY BE PRODUCED BY THE LAST SET OF INSTRUCTIONS IS DISCUSSED IN CHAPTER 7.

1.3. USE OF THE MODEL'S ESTIMATES.

SPACE COMPARISONS OF THE TABULATIONS PRODUCED BY THE TREASURY'S TAX MODEL WITH THE 'STATISTICS OF INCOME' SHOW AN EXCELLENT AGREEMENT. PERCENTAGE COMPARISONS FOR SOURCES OF INCOME AND ADJUSTMENTS, CREDITS, DEDUCTIONS AND EXEMPTIONS, RETURNS, TAXABLE INCOME, AGI, AND TAX AFTER CREDIT CLASSIFIED BY AGI CLASS, BY SCHEDULE AND BY TYPE OF DEDUCTION HAVE BEEN TABULATED AND SHOW AN ACCURACY OF PLUS OR MINUS 2 TENTHS OF 1 PERCENT. THIS LEADS US TO THE CONCLUSION THAT THE MODEL GIVES VERY ACCURATE ANSWERS REGARDING THE REVENUE AND DISTRIBUTIONAL EFFECTS OF STRUCTURAL CHANGES IN THE SYSTEM.

IT SHOULD BE NOTED THAT USE OF THE MODEL'S ESTIMATES IS INHERENTLY LIMITED BY THE AVAILABLE INFORMATION IN THE DATA FILE AND THAT ONE SHOULD BE CAREFUL TO DISTINGUISH BETWEEN APPLICABILITY OF RUNS MADE FOR THE YEAR IN WHICH THE SAMPLE WAS SELECTED VERSUS LATER YEARS. GIVEN THE REPRESENTATIVENESS OF THE SAMPLE, THE PREDICTED VALUES OF THE DEPENDENT VARIABLES MUST HOLD UNDER TWO ASSUMPTIONS, FIRST, THAT THE PROPOSAL UNDER ANALYSIS HAS NO SIGNIFICANT FEEDBACK EFFECTS ON IMPORTANT VARIABLES EXOGENOUS TO THE MODEL (THE LEVEL AND DISTRIBUTION OF INCOME) AND SECOND, THAT TAXPAYERS LEGALLY CHOOSE OPTIONS THAT MINIMIZE THEIR TAX LIABILITY. CLEARLY, THE DEGREE TO WHICH DATA CAN BE ASSUMED EXOGENOUS DEPENDS ON THE NATURE OF THE PROPOSAL, E.G., TAXATION OF ALL REALIZED CAPITAL GAINS AS ORDINARY INCOME IS MUCH MORE LIKELY TO HAVE FEEDBACK EFFECTS THAN CHANGES IN THE STANDARD DEDUCTION. EVEN WHEN FEEDBACK IS SUSPECTED, HOWEVER, IGNORING IT IS OFTEN THE MOST LOGICAL STARTING POINT.

2. A DESCRIPTION OF THE INCOME TAX RETURN SAMPLES.

2.1. INTRODUCTION

THE TREASURY CURRENTLY MAINTAINS VARIOUS SAMPLES OF INDIVIDUAL INCUME TAX RETURN DATA FROM WHICH THE USER MAY SELECT THOSE MOST SUITED TO HIS RESEARCH NEEDS. EACH TAX SAMPLE MAY BE EMPLOYED IN CONNECTION WITH THE TAX MODEL TO SIMULATE THE DISTRIBUTIONAL AND REVENUE IMPACT OF TAX LAW CHANGES AND/OR TO PRODUCE GENERAL STATISTICAL TABLES. THIS IS ACCOMPLISHED BY SPECIFYING THE DESIRED TAX SAMPLE AND BY PROVIDING THE TAX MODEL WITH INPUT CARDS THAT SPECIFY THE CHARACTERISTICS OF THE ALTERNATIVE TAX PLAN AND THE DESIRED TABULATIONS (SEE CHAPTER 6 AND 7). IN ADDITION, THE USER MAY DEVELOP HIS OWN COMPUTER PROGRAM AND PROCESS THE DATA IN THE TAX SAMPLE TO PRODUCE THE TABULATION HE REQUIRES.

EACH SECTION BELOW DOCUMENTS THE CURRENTLY ACTIVE TAX SAMPLES BY PROVIDING A SHORT DESCRIPTION OF THE TAX SAMPLE, THE SAMPLE COUNTS AND WEIGHTS, A SPECIFICATION OF THE DATA RECORD AND REFERENCES TO OTHER AVAILABLE INFORMATION OF A MORE DETAILED NATURE.

2.2. 1975 INCOME TAX RETURN 1/2 SAMPLE.

2.2.1. A SHORT DESCRIPTION.

THE 1975 INDIVIDUAL INCOME TAX RETURN SAMPLE CONSISTS OF 50,000 FEDERAL INCOME TAX RETURNS SUBSAMPLED BY THE TREASURY FROM THE STATISTICS OF INCOME SAMPLE OF OVER 206,000 FORMS 1040 AND 1040A FILED IN THE CALENDAR YEAR 1976 FOR THE 1975 CALENDAR YEAR TAX LIABILITY. THE INFORMATION CONTAINED IN THIS FILE INCLUDES THE MAJOR ENTRIES ON FORM 1040 AND AUXILIARY SCHEDULES. EACH DATA RECORD CONTAINS ALL THE INFORMATION NECESSARY FOR THE COMPUTATION OF 1975 TAX LIABILITY.

THIS SAMPLE CONTAINS IMPUTED ITEMIZED DEDUCTIONS FOR RETURNS THAT TOOK THE STANDARD DEDUCTION. THEREFORE, THE USER SHOULD BE CAREFUL WHEN TESTING ITEMIZED DEDUCTIONS FOR A POSITIVE ENTRY SINCE THIS COULD INTRODUCE NON-REPORTED FIGURES INTO THE RESULTS.

THIS SAMPLE ALSO CONTAINS SOCIAL SECURITY DATA ON AGE, RACE, SEX, AND BENEFIT STATUS OF THE TAXPAYER AND SPOUSE. THIS INFORMATION WAS APPENDED VIA A HARD LINK MERGE.

2.2.2. SAMPLE COUNTS AND WEIGHTS.

TABLE 2.2.1 PRESENTS THE SAMPLE CODES, SAMPLE STRATUM, AND THE NUMBER OF RETURNS IN EACH STRATUM FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE. UNLIKE PREVIOUS TAX RETURN SAMPLES USED BY THE OFFICE OF TAX ANALYSIS, THIS SAMPLE HAS DIFFERRING WEIGHTS FOR EACH RETURN DUE TO THE SAMPLING METHODOLOGY EMPLOYED IN DRAWING THE SUBSAMPLE. HOWEVER, THE WEIGHTS STILL SUM TO PRODUCE NATIONAL ESTIMATES. THE WEIGHTS RANGE IN VALUE FROM 1.0 TO 5,148. ALTHOUGH IT IS POSSIBLE TO PRODUCE SUB-NATIONAL ESTIMATES BY STATE (OR DISTRICT), THIS IS NOT RECOMMENDED SINCE THE NUMBER OF RETURNS IN THE SAMPLE FOR EACH STATE (OR DISTRICT) IS NOT LARGE ENOUGH TO INSURE RELIABLE ESTIMATES FOR MOST ITEMS.

TABLE 2.2.1: CODES, STRATUM, AND NUMBER OF RETURNS FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE

SAMPLE CODE	SAMPLE STRATUM	NUMBER OF RETURNS	COMMENTS
	NON-BUSINESS AND FARM(SCHEDULE F ONLY) AGI, DEFICIT, OR LSII		
11	UNDER $ 10,000	10,631	
12	$ 10,000 UNDER $ 15,000	5,232	
13	$ 15,000 UNDER $ 20,000	4,557	
14	$ 20,000 UNDER $ 50,000	13,961	
15	$ 50,000 UNDER $100,000	3,306	
16	$100,000 UNDER $200,000	1,792	
17	$200,000 UNDER $500,000	1,084	(ONLY TAXABLE)
18	$200,000 AND OVER	149	(ONLY NON-TAXABLE)
19	$500,000 AND OVER	1,649	(ONLY TAXABLE)
	BUSINESS(SCHEDULE C & F OR C ONLY) AGI, DEFICIT OR LSII		
21	UNDER $ 10,000	467	
22	$ 10,000 UNDER $ 15,000	598	
23	$ 15,000 UNDER $ 20,000	651	
24	$ 20,000 UNDER $ 30,000	1,005	
25	$ 30,000 UNDER $ 50,000	1,131	
26	$ 50,000 UNDER $100,000	1,320	
27	$100,000 UNDER $200,000	699	
28	$200,000 UNDER $500,000	539	(ONLY TAXABLE)
29	$200,000 AND OVER	103	(ONLY NON-TAXABLE)
30	$500,000 AND OVER	1,126	(ONLY TAXABLE)
	TOTAL	50,000	

2.2.3. DATA RECORD SPECIFICATION.

EVERY DATA RECORD IN THE TAX SAMPLE REPRESENTS ONE INDIVIDUAL INCOME TAX RETURN AND CONTAINS 200 DATA FIELDS. EACH DATA FIELD IS REFERENCED BY A FIELD SEQUENCE NUMBER AND STORED WITHIN THE DATA FIELD IS A NUMBER WHICH CORRESPONDS TO THE ENTRY MADE ON A

FORM 1040 OR AUXILIARY SCHEDULE FOR A PRESELECTED ITEM. SINCE ELECTRONIC COMPUTERS REQUIRE THAT EACH NUMBER BE CLASSIFIED AS ONE OF TWO MODES--INTEGER MODE (I) OR REAL MODE (R)-- A MODE SEQUENCE NUMBER IS DESIRABLE FOR REFERENCE PURPOSES. THUS, TABLE 2.2.2 PRESENTS THE FIELD SEQUENCE NUMBER, THE MODE SEQUENCE NUMBER, AND A BRIEF DESCRIPTION OF EACH PRE-SELECTED ITEM FROM THE INCOME TAX RETURN THAT CORRESPONDS TO THE NUMBER STORED IN THIS FIELD.

2.2.4. OTHER DOCUMENTATION.

A MORE DETAILED DESCRIPTION OF THIS TAX SAMPLE IS AVAILABLE IN THE DOCUMENT S50,000: EDP DATA FILE DESCRIPTION' BY PETER K. COOK OF THE OFFICE OF TAX ANALYSIS. THIS DOCUMENT CONTAINS TECHNICAL SPECIFICATIONS, THE CODES FOR CODED ITEMS, AND FACSIMILIES OF THE FEDERAL INCOME TAX FORMS THAT REFERENCE THE PRESELECTED ITEMS.

A BRIEF SUMMARY OF THE SAMPLING METHODOLOGY EMPLOYED BY THE OFFICE OF TAX ANALYSIS IS PRESENTED IN APPENDIX A OF THIS CHAPTER. THE SUMMARY OF THE SAMPLING METHODOLOGY WAS COMPILED FROM THE FOLLOWING WORKING PAPERS BY RALPH B BRISTOL JR:

'SAMPLING ASPECTS OF THE TAX MODEL,' OFFICE OF TAX ANALYSIS, MARCH 30, 1973.
'SELECTION OF THE TAX MODEL SAMPLE,' OFFICE OF TAX ANALYSIS, NOVEMBER 7, 1974.
'DRAWING A TAX MODEL SAMPLE FROM THE 1973 SOI - PART I,' OFFICE OF TAX ANALYSIS, JULY 11, 1975.
'DRAWING A TAX MODEL SAMPLE FROM THE 1973 SOI - PART II,' OFFICE OF TAX ANALYSIS, NOVEMBER 6, 1975.

TABLE 2.2.2: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; UNMAPPED AND UNPACKED

FIELD SEQ NUS	MODE SEQ NO		DATA ITEM DESCRIPTION	REFERENCE FORM OR SCHEDULE	REFERENCE LINE NUMBER
1	I	1	BFI BUSINESS OR FARM INDICATOR		
2	I	2	BUSIND BUSINESS INDICATOR		
3	I	3	CSAMP COMPUTED SAMPLE CODE		
4	I	4	CSELI CORRECTED SELECTION ITEM CODE		
5	I	5	DCIND DISTRICT OF COLUMBIA INDICATOR		
6	I	6	DEPINC DEPENDENT WITH UNEARNED INCOME CODE		
7	I	7	DGROUP GROUP CODE		
8	I	8	DIST DISTRICT CODE		
9	I	9	ELECT PRESIDENTIAL ELECTION FUND CODE		
10	I	10	FDED FORM OF DEDUCTION CODE		
11	I	11	FLPD FILING PERIOD CODE		
12	I	12	FORM FORM OF RETURN CODE		
13	I	13	F4972 FORM 4972 CODE		
14	I	14	HINTX HIGH INCOME NON-TAXABLE RETURN CODE		
15	I	15	MARS MARITAL STATUS CODE		
16	I	16	PSAMP PUNCHED SAMPLE CODE		
17	I	17	RESADJ RESIDENCE CREDIT ADJUSTMENT CODE		
18	I	18	RECREV REVENUE SHARING RE-CODE		
19	I	19	RSHARE REVENUE SHARING CODE		
20	I	20	SCHCF SCHEDULE C OR F INDICATOR		
21	I	21	SELI SELECTION ITEM CODE		
22	I	22	STATE STATE CODE		
23	I	23	TAXMOD TAX MODEL CODE		
24	I	24	TNOCF TOTAL NUMBER OF PROPRIETORSHIP SCHEDULES		
25	I	25	TSAMP TAX MODEL SAMPLE CODE		
26	I	26	TXBAL TAX BALANCE CODE		
27	I	27	TXST TAX STATUS CODE		
28	I	28	RETURN WEIGHT*		
29	I	29	TAXPAYER EXEMPTIONS	1040	6A
30	I	30	AGE EXEMPTIONS	1040	6E
31	I	31	BLIND EXEMPTIONS	1040	6E
32	I	32	DEPENDENT EXEMPTIONS	1040	6B
33	I	33	CHILD AT HOME EXEMPTIONS	1040	NA
34	I	34	CHILD AWAY FROM HOME EXEMPTIONS	1040	NA
35	I	35	TOTAL EXEMPTIONS	1040	7

NOTES: COMP = COMPUTED * = X 100
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.2.2: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; UNMAPPED AND UNPACKED

FIELD SEQ NOS	MODE SEQ NO	DATA ITEM DESCRIPTION	REFERENCE FORM OR SCHEDULE	REFERENCE LINE NUMBER
36	I 36	PUNCHED SELECTION AMOUNT		
37	I 37	*********CONFIDENTIAL*********		
38	I 38	**********CONFIDENTIAL**********		
39	I 39	WAGES, SALARIES, ETC.	1040	9
40	I 40	DIVIDENDS, TOTAL BEFORE EXCLUSION	1040	10A
41	I 41	DIVIDENDS, BALANCE IN AGI	1040	10C
42	I 42	INTEREST INCOME	1040	11
43	I 43	TOTAL STATUTORY ADJUSTMENTS	1040	14
44	I 44	+- ADJUSTED GROSS INCOME OR DEFICIT	1040	15
45	I 45	INCOME TAX BEFORE CREDITS	1040	16A
46	I 46	PERSONAL EXEMPTION CREDIT (UNCORECTED)	1040	16B
47	I 47	INCOME TAX AFTER CREDITS	1040	16C
48	I 48	TOTAL TAX LIABILITY	1040	20
49	I 49	INCOME TAX WITHHELD	1040	21A
50	I 50	1975 ESTIMATED TAX PAYMENTS	1040	21B
51	I 51	EARNED INCOME CREDIT (UNCORRECTED)	1040	21C
52	I 52	AMOUNT PAID WITH FORM 4868	1040	21D
53	I 53	TAX DUE AT TIME OF FILLING	1040	23
54	I 54	OVERPAYMENT, REFUND	1040	25
55	I 55	OVERPAYMENT, CREDIT TO 1976 ESTIMATED TAX	1040	26
56	I 56	TAX PAID WITH RETURN		
57	I 57	+- BUSINESS INCOME OR LOSS	1040	28
58	I 58	CAPITAL GAINS DISTRIBUTION*	1040	29B
59	I 59	+- SUPPLEMENTAL SCHEDULE, NET GAIN OR NET LOSS	1040	30
60	I 60	+- PENSIONS, RENTS, ETC., INCOME OR LOSS	1040	31A
61	I 61	FULLY TAXABLE PENSIONS AND ANNUITIES	1040	31B
62	I 62	+- FARM INCOME OR LOSS	1040	32
63	I 63	STATE INCOME TAX REFUNDS	1040	33
64	I 64	ALIMONY	1040	34

NOTES: COMP = COMPUTED * = INCLUDED IN FIELDS 123 & 126
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.2.2: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; UNMAPPED AND UNPACKED

FIELD SEQ NOS	MODE SEQ NO	DATA ITEM DESCRIPTION	REFERENCE FORM OR SCHEDULE	REFERENCE LINE NUMBER
65	I 65	+- OTHER INCOME OR LOSS	1040	35
66	I 66	ADJUSTMENTS TO INCOME, SICK PAY	1040	37
67	I 67	ADJUSTMENTS TO INCOME, MOVING EXPENSES	1038	40
68	I 68	ADJUSTMENTS TO INCOME, EMPLOYEE BUSINESS EXPENSES	1040	39
69	I 69	ADJUSTMENTS TO INCOME, PAYMENTS TO A KEOGH RETIREMENT PLAN	1040	40A
70	I 70	ADJUSTMENTS TO INCOME, PAYMENTS TO A RETIREMENT PLAN	1040	40B
71	I 71	FORFEITED INTEREST PENALTY	1040	41
72	I 72	TOTAL DEDUCTIONS	1040	44
73	I 73	EXEMPTIONS AMOUNT	1040	46
74	I 74	TAXABLE INCOME	1040	47
75	I 75	CREDITS, RETIREMENT INCOME	1040	48
76	I 76	CREDITS, INVESTMENT	1040	49
77	I 77	CREDITS, FOREIGN TAX	1040	50
78	I 78	CREDITS, CONTRIBUTIONS TO CANDIDATES	1040	51
79	I 79	CREDITS, WORK INCENTIVE	1040	52
80	I 80	CREDITS, PURCHASE OF NEW RESIDENCE	1040	53
81	I 81	CREDITS, OTHER TAX CREDITS	1040	NA
82	I 82	OTHER TAXES, RECOMPUTED PRIOR YEAR INVESTMENT TAX CREDIT	1040	55
83	I 83	OTHER TAXES, RECOMPUTED PRIOR YEAR WIN CREDIT	1040	56
84	I 84	OTHER TAXES, MINIMUM TAX	1040	57
85	I 85	OTHER TAXES, TAX ON PREMATURE DISTRIBUTIONS (FORM 5329)	1040	58
86	I 86	OTHER TAXES, SELF-EMPLOYMENT TAX	1040	59
87	I 87	OTHER TAXES, SOCIAL SECURITY TAX ON TIPS, UNCOLLECTED TAX	1040	60&61
88	I 88	OTHER TAXES, EXCESS CONTRIBUTIONS TO AN INDIVIDUAL RETIREMENT ACCOUNT	1040	62

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.2.2: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; UNMAPPED AND UNPACKED

FIELD SEQ NOS	MODE SEQ NO	DATA ITEM DESCRIPTION	REFERENCE FORM OR SCHEDULE	REFERENCE LINE NUMBER
89	I 89	OTHER TAXES, ALL OTHER TAXES	1040	N.A.
90	I 90	OTHER TAX PAYMENTS, EXCESS FICA TAX WITHHELD	1040	64
91	I 91	OTHER TAX PAYMENTS, CREDIT FOR FEDERAL TAX ON GASOLINE	1040	65
92	I 92	OTHER TAX PAYMENTS, TOTAL OTHER PAYMENTS	1040	67
93	I 93	MEDICAL AND DENTAL EXPENSES, 1/2 INSURANCE PREMIUMS	A	1
94	I 94	MEDICAL AND DENTAL EXPENSES, MEDICINE AND DRUGS	A	2
95	I 95	MEDICAL AND DENTAL EXPENSES, MEDICINE AND DRUGS IN EXCESS OF 1%	A	4
96	I 96	MEDICAL AND DENTAL EXPENSES, BALANCE OF INSURANCE PREMIMUMS	A	5
97	I 97	MEDICAL AND DENTAL EXPENSES, TOTAL MEDICAL AND DENTAL EXPENSES	A	7
98	I 98	MEDICAL AND DENTAL EXPENSES, MEDICAL AND DENTAL IN EXCESS OF 3%	A	9
99	I 99	MEDICAL AND DENTAL EXPENSES, TOTAL (AFTER INCOME LIMIT)	A	10
100	I100	TAXES, STATE AND LOCAL INCOME TAX	A	11
101	I101	TAXES, REAL ESTATE	A	12
102	I102	TAXES, STATE AND LOCAL GASOLINE	A	13
103	I103	TAXES, GENERAL SALES	A	14
104	I104	TAXES, PERSONAL PROPERTY	A	15
105	I105	TAXES, TOTAL	A	17
106	I106	INTEREST EXPENSE, HOME MORTGAGE	A	18
107	I107	INTEREST EXPENSE, TOTAL	A	20
108	I108	CONTRIBUTIONS, CASH	A	21A&B
109	I109	CONTRIBUTIONS, OTHER THAN CASH	A	22
110	I110	CONTRIBUTIONS, CARRYOVER FROM PRIOR YEARS	A	23
111	I111	CONTRIBUTIONS, TOTAL	A	24
112	I112	NET CASUALTY OR THEFT LOSS	A	29

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.2.2: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; UNMAPPED AND UNPACKED

FIELD SEQ NOS	MODE SEQ NO	DATA ITEM DESCRIPTION	REFERENCE FORM OR SCHEDULE	REFERENCE LINE NUMBER
113	I113	MISC. DEDUCTIONS, ALIMONY PAID	A	30
114	I114	MISC. DEDUCTIONS, UNION DUES	A	31
115	I115	MISC. DEDUCTIONS, CHILD AND DEPENDENT CARE	A	32
116	I116	MISC. DEDUCTIONS, POLITICAL CONTRIBUTIONS	A	33
117	I117	MISC. DEDUCTIONS, TOTAL	A	34
118	I118	SHORT-TERM CAPITAL GAINS OR LOSSES PRE-1970+POST-1969 ST CAPITAL LOSS CARRYOVERS	D	4A&B
119	I119	+- SHORT-TERM GAINS OR LOSSES, NET ST CAPITAL GAIN AFTER CARRYOVERS	D	5
120	I120	+- SHORT-TERM GAINS OR LOSSES, NET ST CAPITAL LOSS AFTER CARRYOVERS	D	5
121	I121	LONG-TERM GAINS OR LOSSES, PRE-1970 LONG-TERM CAPITAL LOSS CARRYOVERS	D	12A
122	I122	LONG-TERM GAINS OR LOSSES, POST-1969 LONG-TERM CAPITAL LOSS CARRYOVERS	D	12B
123	I123	+- LONG-TERM GAINS OR LOSSES, NET LONG-TERM GAIN AFTER CARRYOVERS	D	13
124	I124	+- LONG-TERM GAINS OR LOSSES, NET LONG-TERM LOSS AFTER CARRYOVERS	D	13
125	I125	NET LOSS BEFORE LIMITATION	D	14
126	I126	+- NET CAPITAL GAIN OR LOSS	D	15&16
127	I127	LONG-TERM GAINS FROM INSTALLMENT SALES	D	48
128	I128	ALTERNATIVE TAX	D	57
129	I129	PENSION AND ANNUITIES, INCOME THIS YEAR	E&R	I.3

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.2.2: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; UNMAPPED AND UNPACKED

FIELD SEQ NUS	MODE SEQ NO	DATA ITEM DESCRIPTION	REFERENCE FORM OR SCHEDULE	REFERENCE LINE NUMBER
130	I130	PENSIONS AND ANNUITIES (TAXABLE PORTION)	E&R	I.5
131	I131	+- RENTS, NET INCOME OR NET LOSS	E&R	II.2
132	I132	+- ROYALTIES, NET INCOME OR NET LOSS	E&R	II.2
133	I133	PARTNERSHIPS, TOTAL INCOME	E&R	D-E
134	I134	PARTNERSHIPS, TOTAL LOSS	E&R	D+E
135	I135	+- PARTNERSHIPS, NET INCOME OR NET LOSS	E&R	III.2
136	I136	ESTATE OR TRUST, TOTAL INCOME	E&R	D(+)
137	I137	ESTATE OR TRUST, TOTAL LOSS	E&R	D(-)
138	I138	+- ESTATE OR TRUST NET INCOME OR NET LOSS	E&R	III.2
139	I139	SMALL BUSINESS CORP., TOTAL INCOME	E&R	D(+)
140	I140	SMALL BUSINESS CORP., TOTAL LOSS	E&R	D(-)
141	I141	+- SMALL BUSINESS CORPORATION NET INCOME OR NET LOSS	E&R	III.2
142	I142	SCHEDULE SE NET EARNINGS FROM SELF-EMPLOYMENT	SE	13
143	I143	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON LOW-INCOME RENTAL HOUSING	4625	1-A-1
144	I144	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON OTHER REAL PROPERTY	4625	1-A-2
145	I145	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON PERSONAL PROPERTY	4625	1-B
146	I146	COMPUTATION OF MIN. TAX, TOTAL AMORTIZATION	4625	1C-F
147	I147	COMPUTATION OF MIN. TAX, STOCK OPTIONS	4625	1-G
148	I148	COMPUTATION OF MIN. TAX, RESERVES FOR BAD DEBTS	4625	1-H
149	I149	COMPUTATION OF MIN. TAX, DEPLETION	4625	1-I
150	I150	COMPUTATION OF MIN. TAX, CAPITAL GAINS	4625	1-J

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.2.2: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; UNMAPPED AND UNPACKED

FIELD SEQ NOS	MODE SEQ NO	DATA ITEM DESCRIPTION	REFERENCE FORM OR SCHEDULE	REFERENCE LINE NUMBER
151	I151	COMPUTATION OF MIN. TAX, TOTAL ITEMS OF TAX PREFERENCES	4625	2
152	I152	COMPUTATION OF MIN. TAX, EXCLUSION	4625	3
153	I153	COMPUTATION OF MIN. TAX, TAX FROM PREMATURE DISTRIBUTIONS (SE)	4625	9
154	I154	COMPUTATION OF MIN. TAX, TAX CARRYOVER FROM PRIOR YEAR(S)	4625	10
155	I155	COMPUTATION OF MIN. TAX, 1975 NET OPERATING LOSS CARRYOVER	4625	14
156	I156	COMPUTATION OF MIN. TAX, MINIMUM TAX DEFERRED FROM PRIOR YEAR(S)	4625	18
157	I157	COMPUTATION OF MIN. TAX, EXCESS CREDITS	4625	20E
158	I158	COMPUTATION OF MIN. TAX, MINIMUM TAX AFTER ADJUSTMENTS	4625	21
159	I159	MAX. TAX ON EARNED INCOME, EARNED INCOME	4726	1
160	I160	MAX. TAX ON EARNED INCOME, DEDUCTIONS	4726	2
161	I161	MAX. TAX ON EARNED INCOME, EARNED NET INCOME	4726	3
162	I162	MAX. TAX ON EARNED INCOME, TAX PREFERENCES OFFSET	4726	8C
163	I163	MAX. TAX ON EARNED INCOME, ADJUSTED EARNED TAXABLE INCOME	4726	9
164	I164	MAX. TAX ON EARNED INCOME, MAXIMUM TAX	4726	17OR34
165	I165	FORM 4952, INVESTMNT INTEREST,TOTAL	4952	5
166	I166	FORM 4952, INVESTMNT INTEREST,TOTAL NON-BUSINESS	4952	4A
167	I167	FORM 4952, INVESTMENT INTEREST, INTEREST DEDUCTION DISALLOWED	4952	20
168	I168	FORM 4972, SPECIAL LUMP-SUM INCOME AVG., ORDINARY INCOME PORTION	4972	2OR2C

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.2.2: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; UNMAPPED AND UNPACKED

FIELD SEQ NUS	MODE SEQ NO	DATA ITEM DESCRIPTION	REFERENCE FORM OR SCHEDULE	REFERENCE LINE NUMBER
169	I169	FORM 4972, SPECIAL LUMP-SUM INCOME AVG., 10-YEAR TOTAL	4972	3OR3C
170	I170	FORM 4972, SPECIAL LUMP-SUM INCOME AVG., TOTAL TAXABLE AMOUNT	4972	5OR5C
171	I171	FORM 4972, SPECIAL LUMP-SUM INCOME AVG., ADJUSTED TOTAL TAXABLE AMOUNT	4972	7
172	I172	FORM 4972, SPECIAL LUMP-SUM INCOME AVG., TAX ON ORDINARY INCOME	4972	24OR26
173	I173	FORM 4972, SPECIAL LUMP-SUM INCOME* AVG., TAX FROM SPECIAL INCOME AVERAGING	4972	24OR26
174	I174	FORM 5405, COST OF RESIDENCE	5405	4
175	I175	FORM 5405, ADJUSTED BASIS	5405	6
176	I176	FORM 4972, 1974 INVESTMENT INTEREST, ORDINARY INCOME PORTION	4972	2B
177	I177	FORM 4972, 1974 INVESTMENT INTEREST, TOTAL BEFORE EXCLUSION	4972	3B
178	I178	FORM 4972, 1974 INVESTMENT INTEREST, TOTAL TAXABLE PORTION	4972	5B
179	I179	TAX MODEL WEIGHT	N.A.	
180	I180	*********CONFIDENTIAL********** CONFIDENTIAL		
181	I181	*********CONFIDENTIAL********** CONFIDENTIAL		
182	I182	********CONFIDENTIAL********		
183	I183	**CONFIDENTIAL***		
184	I184	***CONFIDENTIAL***		
185	I185	*****CONFIDENTIAL******		
186	I186	*****CONFIDENTIAL*****		
187	I187	*****CONFIDENTIAL******		
188	I188	*****CONFIDENTIAL*****		
189	I189	********CONFIDENTIAL********		
190	I190	********CONFIDENTIAL**********		
191	I191	**********CONFIDENTIAL********** **CONFIDENTIAL**		

NOTES: COMP = COMPUTED * = SAME AS LINE 24 IF NO PART II
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.2.2: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; UNMAPPED AND UNPACKED

FIELD SEQ NOS	MODE SEQ NO	DATA ITEM DESCRIPTION	---REFERENCE--- FORM OR SCHEDULE	LINE NUMBER
192	I192	**CONFIDENTIAL*		
193	I193	**CONFIDENTIAL**		
194	I194	****CONFIDENTIAL*****		
195	I195	****CONFIDENTIAL****		
196	I196	****CONFIDENTIAL*****		
197	I197	****CONFIDENTIAL****		
198	I198	*******CONFIDENTIAL*******		
199	I199	*******CONFIDENTIAL**********		
200	I200	**********CONFIDENTIAL**********		
		CONFIDENTIAL		

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

2.3. 1975 INCOME TAX RETURN 1/2 SAMPLE: PACKED & MAPPED.

2.3.1. A SHORT DESCRIPTION.

THE 1975 INDIVIDUAL INCOME TAX RETURN HALF SAMPLE IN THE MAPPED AND PACKED FORMAT DIFFERS FROM THE HALF SAMPLE OF SECTION 2.2 IN THE FOLLOWING WAYS:

(A) EACH DATA RECORD IN THE SAMPLE HAS BEEN 'MAPPED.' MAPPING MEANS THAT THE ORIGINAL SEQUENCING OF THE DATA ITEMS WITHIN A RECORD HAS BEEN REARRANGED TO PRODUCE A SEQUENCING THAT FACILITATES FASTER PROCESSING BY THE TAX MODEL. THE PROCESS OF RE-ARRANGING SPLITS THE DATA ITEMS INTO TWO GROUPS: (1) 'BASIC VARIABLES' WHICH ARE ABSOLUTELY NECESSARY TO THE EXECUTION OF THE TAX CALCULATOR AND (2) 'OTHER VARIABLES' WHICH ARE NOT ABSOLUTELY NECESSARY TO THE EXECUTION OF THE TAX CALCULATOR. THIS SPLIT WILL BE EMPLOYED WHEN THE IMPROVED INPUT/OUTPUT ROUTINE IS ADDED TO THE TAX MODEL PROGRAM.

THE PROCESS OF REARRANGEMENT ALSO LEAVES SPACE FOR THE INCLUSION OF COMPUTED DATA ITEMS AND IMPUTED DATA ITEMS.

(B) EACH DATA RECORD IN THE SAMPLE HAS BEEN 'PACKED.' PACKING A DATA RECORD ACCOMPLISHES TWO THINGS: (1) IT REDUCES THE AMOUNT OF PHYSICAL SPACE NEEDED IN STORING THE DATA BY RETAINNING ONLY NON-ZERO ENTRIES AND THEIR LOCATION IN THE ORIGINAL DATA RECORD AND (2) AS A BY-PRODUCT, IT REDUCES INPUT PROCESSING TIME SINCE THERE ARE FEWER DATA ITEMS TO INPUT. THIS MEANS THAT A DATA RECORD CONSISTING OF 234 ITEMS WHERE ONE-HALF OF THE ITEMS HAVE A ZERO ENTRY, CAN BE REDUCED TO A NEW DATA RECORD CONSISTING OF 117 NON-ZERO ENTRIES AND THEIR LOCATION IN THE ORIGINAL DATA RECORD. ALTHOUGH THE ADVANTAGES OF PACKING ARE OBVIOUS, IT INTRODUCES A PROGRAMMING CONSTRAINT BECAUSE EACH PACKED DATA RECORD MUST BE 'UNPACKED' TO RECREATE THE ORIGINAL DATA RECORD. INCORPORATED WITHIN THE TAX MODEL PROGRAM IS A SUBPROGRAM WHICH ACCOOMPLISHES THE FUNCTION OF UNPACKING. IF, HOWEVER, THE USER DESIRES TO EMPLOY HIS OWN PROGRAM WITH THIS

SAMPLE, HE MUST EITHER WRITE HIS OWN SUBPROGRAM OR ACQUIRE A SUBPPROGRAM TO UNPACK THE DATA RECORDS.

(C) AS BEFORE, EACH DATA RECORD IN THE SAMPLE WHICH REFLECTS A RETURN THAT ELECTED THE STANDARD DEDUCTION HAS BEEN PROVIDED WITH IMPUTED ITEMIZED DEDUCTIONS. THEREFORE, THE USER SHOULD BE CAREFUL WHEN TESTING ITEMIZED DEDUCTIONS FOR A POSITIVE ENTRY SINCE THIS COULD INTRODUCE NON-REPORTED FIGURES INTO HIS RESULTS.

2.3.2. SAMPLE COUNTS AND WEIGHTS.

UNLIKE PREVIOUS TAX RETURN SAMPLES USED BY THE OFFICE OF TAX ANALYSIS, THIS SAMPLE HAS DIFFERRING WEIGHTS FOR EACH RETURN DUE TO THE SAMPLING METHODOLOGY EMPLOYED IN DRAWING THE SUBSAMPLE. HOWEVER, THE WEIGHTS STILL SUM TO PRODUCE NATIONAL ESTIMATES. ALTHOUGH IT IS POSSIBLE TO PRODUCE SUB-NATIONAL ESTIMATES BY STATE (OR DISTRICT), THIS IS NOT RECOMMENDED SINCE THE NUMBER OF RETURNS IN THE SAMPLE FOR EACH STATE (OR DISTRICT) IS NOT LARGE ENOUGH TO INSURE RELIABLE ESTIMATES FOR MOST ITEMS.

2.3.3. DATA RECORD SPECIFICATION.

EVERY DATA RECORD IN THE TAX SAMPLE REPRESENTS ONE INDIVIDUAL INCOME TAX RETURN AND CONTAINS 234 DATA ITEMS (THE ORIGINAL 200 DATA ITEMS PLUS 34 NEW ITEMS). EACH DATA FIELD IS REFERENCED BY A FIELD SEQUENCE NUMBER AND STORED WITHIN THE DATA FIELD IS A NUMBER WHICH CORRESPONDS TO AN ENTRY MADE ON A FORM 1040 OR AUXILIARY SCHEDULE, A COMPUTED VARIABLE FROM THE TAX MODEL PROGRAM, OR AN IMPUTED VARIABLE EXOGENOUS TO THE TAX MODEL. THE FIRST 74 FIELD SEQUENCE NUMBERS IN TABLE 2.3.1 REFERENCE THE 'BASIC VARIABLES' AND THE REMAINNING FIELD SEQUENCE NUMBERS REFERENCE THE 'OTHER VARIABLES.'

SINCE ELECTRONIC COMPUTERS REQUIRE THAT EACH NUMBER BE CLASSIFIED AS ONE OF TWO MODES--INTEGER MODE(I) OR REAL MODE(R)--THE ARRAY NAME AND SUBSCRIPT NUMBER EMPLOYED BY THE TAX MODEL FOR EACH DATA ITEM APPEARS IN TABLE 2.3.1.

TWO NEW COLUMN HEADINGS APPEAR AT THE RIGHT HAND SIDE OF TABLE 2.3.1 UNDER 'REFERENCE'. UNDER THE COLUMN HEADING 'UNMAPPED SOURCE' APPEARS THE FIELD SEQUENCE NUMBER IN TABLE 2.2.2 THAT CORRESPONDS TO THIS ITEM. THE TERMS 'COMP, RESV, AND IMPT' MAY ALSO BE FOUND UNDER THE HEADING 'UNMAPPED SOURCE' AND ARE EXPLAINED AT THE BOTTOM OF TABLE 2.3.1. BELOW THE COLUMN HEADING 'EQUIVALENT' IS THE SECONDARY NAME THAT IS ASSOCIATED WITH EACH

'BASIC VARIABLE' IN THE TAX MODEL PROGRAM.

2.3.4. OTHER DOCUMENTATION.

APPENDIX B OF THIS CHAPTER PRESENTS THE MAJOR ANOMALIES THAT WERE ENCOUNTERED ON THE 1975 TAX MODEL SAMPLE AND HOW THESE ANOMALIES WERE EDITED IN ORDER TO PRODUCE A CLEAN SAMPLE.

APPENDIX C OF THIS CHAPTER PRESENTS A COMPARISION OF THE 1975 TAX MODEL RESULTS AND THE PRELIMINARY 1975 STATISTICS OF INCOME.

TABLE 2.3.1: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
1	M 1	CONSECUTIVE RETURN NUMBER	COMP	RETNO
2	M 2	MARS MARITAL STATUS CODE	15	MARS
3	M 3	FDED FORM OF DEDUCTION CODE	10	IDEDX
4	M 4	CSAMP COMPUTED SAMPLE CODE	3	MCODE
5	M 5	PRESENT LAW AGI CLASS CODE	COMP	JY
6	M 6	F4972 FORM 4972 CODE	13	F4972
7	D 1	TAXPAYER EXEMPTIONS	29	TXPYE
8	D 2	AGE EXEMPTIONS	30	AGEDE
9	D 3	BLIND EXEMPTIONS	31	BLNDE
10	D 4	DEPENDENT EXEMPTIONS	32	DEPNE
11	D 5	CHILD AT HOME EXEMPTIONS	33	CAHE
12	D 6	CHILD AWAY FROM HOME EXEMPTIONS	34	CAFHE
13	D 7	WAGES, SALARIES, ETC.	39	WAS
14	D 8	DIVIDENDS, GROSS DIVIDENDS	40	GD
15	D 9	DIVIDEND EXCLUSION	COMP	DEXCL
16	D 10	DIVIDENDS, BALANCE IN AGI	41	TAXD
17	D 11	ALL INCOME OTHER THAN DIVIDENDS AND CAPITAL GAINS IN AGI	COMP	RESID
18	D 12	ADJUSTMENTS TO INCOME, SICK PAY	66	SICKPY
19	D 13	TOTAL STATUTORY ADJUSTMENTS	43	ADJUST
20	D 14	+- ADJUSTED GROSS INCOME OR DEFICIT	44	AGIX
21	D 15	INCOME TAX BEFORE CREDITS	45	TAXB
22	D 16	PERSONAL EXEMPTION CREDIT	46	EMCRX
23	D 17	CREDITS, TOTAL	COMP	TXCRD
24	D 18	TENATIVE TAX AFTER CREDITS	COMP	TTAXA
25	D 19	OTHER TAXES, MINIMUM TAX	84	MINTAX
26	D 20	OTHER TAXES, SUBTOTAL EXCLUDING MINIMUM TAX	COMP	OTHERT
27	D 21	INCOME TAX AFTER CREDITS	47	TAXAX
28	D 22	EARNED INCOME CREDIT	51	EICX
29	D 23	TOTAL DEDUCTIONS	72	DX
30	D 24	EXEMPTIONS AMOUNT	73	EXEM
31	D 25	TAXABLE INCOME	74	TINCX
32	D 26	TAX SAVINGS FROM INCOME AVERAGING	COMP	AVESAV
33	D 27	CAPITAL GAINS DISTRIBUTION	58	CGD50

NOTES: COMP = COMPUTED
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TABLE 2.3.1: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
34	D 28	FULLY TAXABLE PENSIONS AND ANNUITIES	61	FTPEN
35	D 29	PENSIONS AND ANNUITIES, TAXABLE PORTION	130	PTPEN
36	D 30	MEDICAL AND DENTAL EXPENSES, BALANCE OF INSURANCE PREMIMUMS	96	BMIP
37	D 31	CONTRIBUTIONS, TOTAL	111	DN1
38	D 32	INTEREST EXPENSE, HOME MORTGAGE	106	HMIE
39	D 33	INTEREST EXPENSE, OTHER	COMP	OIE
40	D 34	INVESTMENT INCOME	COMP	INVY
41	D 35	PERCENT NON-BUSINESS	COMP	PN8
42	D 36	INTEREST EXPENSE, TOTAL	107	DN2
43	D 37	TAXES, TOTAL	105	DN3
44	D 38	MEDICAL AND DENTAL EXPENSES, MEDICINE AND DRUGS	94	DN4
45	D 39	MEDICAL AND DENTAL EXPENSES, MEDICAL AND DENTAL	COMP	DN5
46	D 40	MEDICAL AND DENTAL EXPENSES, FULL MEDICAL INSURANCE PREMIUMS	COMP	DN6
47	D 41	MISC. DEDUCTIONS, ALIMONY PAID	113	ALIMNY
48	D 42	MISC. DEDUCTIONS, CHILD AND DEPENDENT CARE	115	CHILDC
49	D 43	MISC. DEDUCTIONS, TOTAL	117	DN7
50	D 44	NET CASUALTY OR THEFT LOSS	112	DN8
51	D 45	+-SHORT-TERM GAINS OR LOSSES, NET ST GAIN OR LOSS BEFORE CARRYOVER	COMP	STGL
52	D 46	SHORT-TERM GAINS OR LOSSES, PRE-1970 SHORT-TERM CAPITAL LOSS CARRYOVER	COMP	P70STC
53	D 47	SHORT-TERM GAINS OR LOSSES, POST-1969 SHORT-TERM CAPITAL LOSS CARRYOVE	COMP	P69STC
54	D 48	+- SHORT-TERM GAINS OR LOSSES, NET ST CAPITAL GAIN OR LOSS AFTER CARRY	COMP	NSTGL
55	D 49	LONG-TERM GAINS OR LOSSES, NET LT GAIN OR LOSS BEFORE CARRYOVER	COMP	LTGL
56	D 50	LONG-TERM GAINS OR LOSSES, PRE-1970	121	P70LTC

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
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TABLE 2.3.1: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
		LONG-TERM CAPITAL LOSS CARRYOVER		
57 D	51	LONG-TERM GAINS OR LOSSES, POST-1969 LONG-TERM CAPITAL LOSS CARRYOVER	122	P69LTC
58 D	52	+- LONG-TERM GAINS OR LOSSES, NET LONG-TERM GAIN OR LOSS AFTER CARRYOVER	COMP	NLTGL
59 D	53	NET CAPITAL GAINS OR LOSSES	COMP	NGL
60 D	54	EXCLUDED LONG TERM CAPITAL GAINS	COMP	EXLCG
61 D	55	CAPITAL GAINS OR LOSSES IN AGI AFTER LIMITATION	COMP	CGAGIX
62 D	56	TAX SAVINGS DUE TO ALTERNATIVE TAX	COMP	ALTTAX
63 D	57	LONG-TERM GAINS FROM INSTALLMENT SALES	127	LTGIS
64 D	58	LONG-TERM CAPITAL GAINS SHELTERED UNDER THE ALTERNATIVE TREATMENT	COMP	CGYAX
65 D	59	COMPUTATION OF MIN. TAX, PREFERENCE INCOME NET OF CAPITAL GAINS	COMP	PREFI
66 D	60	COMPUTATION OF MIN. TAX, TOTAL ITEMS OF TAX PREFERENCES	152	PREFX
67 D	61	COMPUTATION OF MIN. TAX, OTHER TAXES REDUCTING PREFERENCE INCOME	COMP	OTRP
68 D	62	COMPUTATION OF MIN. TAX, 1975 NET OPERATING LOSS CARRYOVER	155	NOL75
69 D	63	COMPUTATION OF MIN. TAX, MINIMUM TAX DEFERRED FROM PRIOR YEAR(S)	156	MTDPY
70 D	64	COMPUTATION OF MIN. TAX, UNUSED CREDITS	157	UNCRS
71 D	65	MAX TAX ON EARNED INCOME, TAX SAVINGS FROM MAXIMUM TAX	COMP	MAXTAX
72 D	66	MAX. TAX ON EARNED INCOME, EARNED INCOME	159	EARN
73 D	67	MAX. TAX ON EARNED INCOME, DEDUCTIONS	160	ADJEI
74 D	68	WEIGHT	28	WT
75 D	69	TOTAL EXEMPTIONS	35	
76 D	70	INTEREST INCOME	42	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.3.1: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
77	D 71	INCOME TAX WITHHELD	49	
78	D 72	1975 ESTIMATED TAX PAYMENTS	50	
79	D 73	AMOUNT PAID WITH FORM 4868	52	
80	D 74	TAX DUE AT TIME OF FILING	53	
81	D 75	OVERPAYMENT, REFUND	54	
82	D 76	OVERPAYMENT, CREDIT TO 1976 ESTIMATED TAX	55	
83	D 77	TAX PAID WITH RETURN	56	
84	D 78	+- BUSINESS INCOME OR LOSS	57	
85	D 79	SUPPLEMENTAL SCHEDULE, NET GAIN OR NET LOSS	59	
86	D 80	PENSIONS, RENTS, ETC., INCOME OR LOSS	60	
87	D 81	+- FARM INCOME OR LOSS	62	
88	D 82	STATE INCOME TAX REFUNDS	63	
89	D 83	ALIMONY INCOME	64	
90	D 84	+- OTHER INCOME OR LOSS	65	
91	D 85	ADJUSTMENTS TO INCOME, MOVING EXPENSES	67	
92	D 86	ADJUSTMENTS TO INCOME, EMPLOYEE BUSINESS EXPENSES	68	
93	D 87	ADJUSTMENTS TO INCOME, PAYMENTS TO A KEOGH RETIREMENT PLAN	69	
94	D 88	ADJUSTMENTS TO INCOME, PAYMENTS TO INDIVIDUAL RETIREMENT ACCOUNT	70	
95	D 89	ADJUSTMENTS TO INCOME, FORFEITED INTEREST PENALTY	71	
96	D 90	CREDITS, RETIREMENT INCOME	75	
97	D 91	CREDITS, INVESTMENT	76	
98	D 92	CREDITS, FOREIGN TAX	77	
99	D 93	CREDITS, CONTRIBUTIONS TO CANDIDATE	78	
100	D 94	CREDITS, WORK INCENTIVE	79	
101	D 95	CREDITS, PURCHASE OF NEW RESIDENCE	80	
102	D 96	CREDITS, OTHER TAX CREDITS	81	
103	D 97	OTHER TAXES, RECOMPUTED PRIOR YEAR	82	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.3.1: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
		INVESTMENT TAX CREDIT		
104	D 98	OTHER TAXES, RECOMPUTED PRIOR YEAR WIN CREDIT	83	
105	D 99	OTHER TAXES, TAX ON PREMATURE DISTRIBUTIONS (FORM 5329)	85	
106	D 100	OTHER TAXES, SELF-EMPLOYMENT TAX	86	
107	D 101	OTHER TAXES, SOCIAL SECURITY TAX ON TIPS, UNCOLLECTED TAX	87	
108	D 102	OTHER TAXES, EXCESS CONTRIBUTIONS TO AN INDIVIDUAL RETIREMENT ACCOUNT	88	
109	D 103	OTHER TAXES, ALL OTHER TAXES	89	
110	D 104	OTHER TAX PAYMENTS, EXCESS FICA/RRTA TAX WITHHELD	90	
111	D 105	OTHER TAX PAYMENTS, CREDIT FOR FEDERAL TAX ON GASOLINE	91	
112	D 106	OTHER TAX PAYMENTS, TOTAL OTHER PAYMENTS	92	
113	D 107	MEDICAL AND DENTAL EXPENSES, 1/2 INSURANCE PREMIUMS	93	
114	D 108	MEDICAL AND DENTAL EXPENSES, MEDICINE AND DRUGS IN EXCESS OF 1%	95	
115	D 109	MEDICAL AND DENTAL EXPENSES, MEDICAL AND DENTAL IN EXCESS OF 3%	98	
116	D 110	MEDICAL AND DENTAL EXPENSES, TOTAL (AFTER INCOME LIMIT)	99	
117	D 111	TAXES, STATE AND LOCAL INCOME TAX	100	
118	D 112	TAXES, REAL ESTATE	101	
119	D 113	TAXES, STATE AND LOCAL GASOLINE	102	
120	D 114	TAXES, GENERAL SALES	103	
121	D 115	TAXES, PERSONAL PROPERTY	104	
122	D 116	TAXES, OTHER	COMP	
123	D 117	CONTRIBUTIONS, CASH	108	
124	D 118	CONTRIBUTIONS, OTHER THAN CASH	109	
125	D 119	CONTRIBUTIONS, CARRYOVER FROM PRIOR YEAR	110	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.3.1: DATA RECORD SPECIFICATION FOR THE 1975
INDIVIDUAL INCOME TAX RETURN
HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
126	D 120	CONTRIBUTIONS, OTHER	COMP	
127	D 121	MISC. DEDUCTIONS, UNION DUES	114	
128	D 122	MISC. DEDUCTIONS, POLITICAL CONTRIBUTIONS	116	
129	D 123	MISC. DEDUCTIONS, OTHER	COMP	
130	D 124	SHORT-TERM CAPITAL GAINS OR LOSSES, PRE-1970+POST-1969 ST CAPITAL LOSS	118	
131	D 125	NET LOSS BEFORE LIMITATION	COMP	
132	D 126	ALTERNATIVE TAX	COMP	
133	D 127	PENSIONS AND ANNUITIES, INCOME THIS YEAR	129	
134	D 128	+- RENTS, NET INCOME OR NET LOSS	131	
135	D 129	+- ROYALTIES, NET INCOME OR NET LOSS	132	
136	D 130	PARTNERSHIPS, TOTAL INCOME	133	
137	D 131	PARTNERSHIPS, TOTAL LOSS	134	
138	D 132	+- PARTNERSHIPS, NET INCOME OR NET LOSS	135	
139	D 133	ESTATE OR TRUST, TOTAL INCOME	136	
140	D 134	ESTATE OR TRUST, TOTAL LOSS	137	
141	D 135	+- ESTATE OR TRUST NET INCOME OR NET LOSS	138	
142	D 136	SMALL BUSINESS CORP., TOTAL INCOME	139	
143	D 137	SMALL BUSINESS CORP., TOTAL LOSS	140	
144	D 138	+- SMALL BUSINESS CORPORATION NET INCOME OR NET LOSS	141	
145	D 139	SCHEDULE SE NET EARNINGS FROM SELF-EMPLOYMENT	142	SEEARN
146	D 140	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON LOW-INCOME RENTAL HOUSING	143	
147	D 141	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON OTHER REAL PROPERTY	144	
148	D 142	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON PERSONAL PROPERTY	145	
149	D 143	COMPUTATION OF MIN. TAX, TOTAL	146	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.3.1: DATA RECORD SPECIFICATION FOR THE 1975
INDIVIDUAL INCOME TAX RETURN
HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	---REFERENCE--- UNMAPPED SOURCE	EQUIV-ALENT
		AMORTIZATION		
150	D 144	COMPUTATION OF MIN. TAX, STOCK OPTIONS	147	
151	D 145	COMPUTATION O MIN. TAX, RESERVES FOR BAD DEBTS	148	
152	D 146	COMPUTATION OF MIN. TAX, DEPLETION	149	
153	D 147	COMPUTATION OF MIN. TAX, CAPITAL GAINS	150	
154	D 148	COMPUTATION OF MIN. TAX, EXCLUSION	152	
155	D 149	COMPUTATION OF MIN. TAX, TAX FROM PREMATURE DISTRIBUTIONS(SE RETIREMENT)	153	
156	D 150	COMPUTATION OF MIN. TAX, TAX CARRY-OVER FROM PRIOR YEAR(S)	154	
157	D 151	MAX. TAX ON EARNED INCOME, EARNED NET INCOME	COMP	
158	D 152	MAX. TAX ON EARNED INCOME, TAX PREFERENCES IN EXCESS OF $30,000	COMP	
159	D 153	MAX. TAX ON EARNED INCOME, ADJUSTED EARNED TAXABLE INCOME	COMP	
160	D 154	MAX. TAX ON EARNED INCOME, MAXIMUM TAX	COMP	
161	D 155	FORM 4952, INVESTMENT INTEREST, TOTAL	165	INVIT
162	D 156	FORM 4952, INVESTMENT INTEREST, TOTAL NON-BUSINESS	166	
163	D 157	FORM 4952, INVESTMENT INTEREST, INTEREST DEDUCTION DISALLOWED	167	
164	D 158	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, ORDINARY INCOME PORTION	168	
165	D 159	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, 10-YEAR TOTAL	169	
166	D 160	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TOTAL TAXABLE AMOUNT	170	
167	D 161	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, ADJUSTED TOTAL TAXABLE AMOUNT	171	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.3.1: DATA RECORD SPECIFICATION FOR THE 1975
INDIVIDUAL INCOME TAX RETURN
HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
168	D 162	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TAX ON ORDINARY INCOME	172	
169	D 163	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TAX FROM SPECIAL INCOME	173	TSLSIA
170	D 164	FORM 4972, 1974 INVESTMENT INTEREST , ORDINARY INCOME PORTION	176	
171	D 165	FORM 4972, 1974 INVESTMENT INTEREST , TOTAL BEFORE EXCLUSION	177	
172	D 166	FORM 4972, 1974 INVESTMENT INTEREST , TOTAL TAXABLE AMOUNT	178	
173	D 167	FORM 5405, COST OF RESIDENCE	174	
174	D 168	FORM 5405, ADJUSTED BASIS	175	
175	D 169	INVESTMENT INTEREST, INTEREST EXPENSE ALLOWED, NON-BUSINESS	COMP	INVIA
176	D 170	IMPUTATION, STATE & LOCAL BOND INTEREST	N.A.	
177	D 171	IMPUTATION, SHARE OF WAGE INCOME ATTRIBUTABLE TO SPOUSE	N.A.	
178	D 172	IMPUTATION, SHARE OF WAGE INCOME NOT ATTRIBUTABLE TO HUSBAND'S 1ST JOB	N.A.	
179	D 173	IMPUTATION, RESERVED FOR FUTURE ADDITIONS	IMPT	
180	D 174	COMPUTATION MIN. TAX, 1/5 PREF-ERENCES FROM PREVIOUS 5 YEARS	COMP	FIFTH
181	D 175	IMPUTATION, RESERVED FOR FUTURE ADDITIONS	IMPT	
182	D 176	IMPUTATION, RESERVED FOR FUTURE ADDITIONS	IMPT	
183	D 177	IMPUTATION, RESERVED FOR FUTURE ADDITIONS	IMPT	
184	D 178	IMPUTATION, SOCIAL SECURITY & RR RETIRE.BENEFITS	IMPT	
185	D 179	IMPUTATION, RESERVED FOR FUTURE ADDITIONS	IMPT	
186	D 180	IMPUTATION, RESERVED FOR FUTURE	IMPT	

NOTES: COMP = COMPUTED
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IMPT = IMPUTED ITEM

TABLE 2.3.1: DATA RECORD SPECIFICATION FOR THE 1975 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO		DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
			ADDITIONS		
187	D	181	IMPUTATION, RESERVED FOR FUTURE ADDITIONS		IMPT
188	MM	1	BFI BUSINESS OR FARM INDICATOR		1
189	MM	2	BUSIND BUSINESS INDICATOR		2
190	MM	3	CSELI CORRECTED SELECTION ITEM CODE		4
191	MM	4	DCIND DISTRICT OF COLUMBIA INDICATOR		5
192	MM	5	DEPINC DEPENDENT WITH UNEARNED INCOME CODE		6
193	MM	6	DGROUP GROUP CODE		7
194	MM	7	DIST DISTRICT CODE		8
195	MM	8	ELECT PRESIDENTIAL ELECTION FUND CODE		9
196	MM	9	FLPD FILING PERIOD CODE		11
197	MM	10	FORM FORM OF RETURN CODE		12
198	MM	11	HINTX HIGH INCOME NON-TAXABLE RETURN CODE		14
199	MM	12	PSAMP PUNCHED SAMPLE CODE		16
200	MM	13	RESADJ RESIDENCE CREDIT ADJUSTMENT CODE		17
201	MM	14	RECREV REVENUE SHARING RE-CODE		18
202	MM	15	RSHARE REVENUE SHARING CODE		19
203	MM	16	SCHCF SCHEDULE C OR F INDICATOR		20
204	MM	17	SELI SELECTION ITEM CODE		21
205	MM	18	STATE STATE CODE		22
206	MM	19	TAXMOD TAX MODEL CODE		23
207	MM	20	TNOCF TOTAL NUMBER OF PROPRIETORSHIP SCHEDULES		24
208	MM	21	TSAMP TAX MODEL SAMPLE CODE		25
209	MM	22	TXBAL TAX BALANCE CODE		26
210	MM	23	TXST TAX STATUS CODE		27
211	MM	24	PUNCHED SELECTION AMOUNT		36
212	MM	25	*********CONFIDENTIAL*********		37

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.3.1: DATA RECORD SPECIFICATION FOR THE 1975
INDIVIDUAL INCOME TAX RETURN
HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	---REFERENCE--- UNMAPPED SOURCE	EQUIV-ALENT
213	MM 26	**********CONFIDENTIAL**********	38	
214	MM 27	**********CONFIDENTIAL********** CONFIDENTIAL	180	
215	MM 28	**********CONFIDENTIAL********** CONFIDENTIAL	181	
216	MM 29	********CONFIDENTIAL********	182	
217	MM 30	**CONFIDENTIAL***	183	
218	MM 31	***CONFIDENTIAL***	184	
219	MM 32	*****CONFIDENTIAL******	185	
220	MM 33	*****CONFIDENTIAL*****	186	TAGE
221	MM 34	*****CONFIDENTIAL******	187	
222	MM 35	*****CONFIDENTIAL*****	188	
223	MM 36	********CONFIDENTIAL********	189	
224	MM 37	********CONFIDENTIAL********* **********	190	
225	MM 38	**********CONFIDENTIAL********** **CONFIDENTIAL**	191	
226	MM 39	**CONFIDENTIAL*	192	
227	MM 40	**CONFIDENTIAL**	193	
228	MM 41	****CONFIDENTIAL*****	194	
229	MM 42	****CONFIDENTIAL****	195	SAGE
230	MM 43	****CONFIDENTIAL*****	196	
231	MM 44	****CONFIDENTIAL****	197	
232	MM 45	*******CONFIDENTIAL*******	198	
233	MM 46	*******CONFIDENTIAL******** **********	199	
234	MM 47	**********CONFIDENTIAL********** **CONFIDENTIAL**	200	

NOTES: COMP = COMPUTED
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2.4. 1978 INCOME TAX RETURN 1/2 SAMPLE: MAPPED & PACKED.

2.4.1. A SHORT DESCRIPTION.

THE 1978 INDIVIDUAL INCOME TAX RETURN HALF SAMPLE IN THE MAPPED AND PACKED FORMAT DIFFERS FROM THE 1975 HALF SAMPLE OF SECTION 2.3 IN THE FOLLOWING WAYS:

(A) THE LEVELS OF THE INCOME ITEMS AND THE DEDUCTION ITEMS HAVE BEEN ADJUSTED TO REFLECT THE ESTIMATED 1978 CALENDAR YEAR TOTALS.

(B) THE AGGREGATE NUMBER OF RETURNS AND EXEMPTIONS HAVE BEEN ADJUSTED--BY MODIFYING THE WEIGHT ON EACH RETURN--TO REFLECT THE ESTIMATED 1978 CALENDAR YEAR TOTALS(THE ADJUSTMENTS IN (A) AND (B) ABOVE ARE REFERRED TO AS THE EXTRAPOLATION PROCESS AND IS THE SUBJECT OF CHAPTER 3).

(C) STATE AND LOCAL BOND INTEREST HAS BEEN IMPUTED TO EACH RECORD AND IS STORED IN D(170).

(D) THE ORIGINAL VALUE OF REPORTED CHILD CARE HAS BEEN REPLACED WITH AN IMPUTED VALUE WHICH REFLECTS THE LIBERALIZATION OF THE CHILD CARE PROVISIONS SINCE 1975.

(E) THE SHARE OF WAGE INCOME ATTRIBUTABLE TO THE SPOUSE ON JOINT RETURNS HAS BEEN IMPUTED. THIS IMPUTATION IS BASED ON TABULATIONS OF ALL JOINT RETURNS FOR WHICH WHICH FORMS W-2 WERE ATTACHED IN 1974. THE DATA WAS PROVIDED BY IRS. THIS ITEM IS STORED IN D(171).

(F) LOCATION D(173) CONTAINS A FLAG FOR CONVERTING A PROPORTION OF THE 1975 LONG-TERM CAPITAL GAINS TO 1978 SHORT-TERM CAPITAL GAINS. THIS REFLECTS THE 12 MONTH HOLDING PERIOD FOR LONG TERM GAINS.

(G) THE SOCIAL SECURITY PAYROLL TAX FOR TAXPAYER AND SPOUSE HAS BEEN IMPUTED TO THE 1978 FILE AND APPEARS IN D(175) AND D(176).

(H) SOCIAL SECURITY & RAILROAD RETIREMENT BENEFITS HAVE BEEN TRANSFERRED FROM THE MERGE FILE (SEE SECTION 2.5) TO THE 1978 FILE AND ARE STORED IN D(178). THIS VARIABLE

SHOULD NOT BE USED EXCEPT IN THE CALCULATION OF THE ELDERLY CREDIT.

(I) LOCATION D(179) CONTAINS EXTRA EXEMPTIONS USED IN ESTIMATING 1978 WITHHOLDING. THESE EXEMPTIONS REPRESENT A DUMMY VARIABLE AND ARE NOT ACTUALLY REPORTED ON THE RETURN.

(J) THE DATA ITEMS MM34 & MM42, *****CONFIDENTIAL***** AND ****CONFIDENTIAL****, HAVE BEEN CONVERTED TO THE TAXPAYER'S AGE AND AND THE SPOUSE'S AGE. NOTE, THAT THE AGE MAY BE ZERO IF THERE IS NO TAXPAYER OR SPOUSE.

THIS SAMPLE CONTAINS IMPUTED ITEMIZED DEDUCTIONS FOR RETURNS THAT TOOK THE STANDARD DEDUCTION. THEREFORE, THE USER SHOULD BE CAREFUL WHEN TESTING ITEMIZED DEDUCTIONS FOR A POSITIVE ENTRY SINCE THIS COULD INTRODUCE NON-REPORTED FIGURES INTO THE RESULTS.

2.4.2. SAMPLE COUNTS AND WEIGHTS.

UNLIKE PREVIOUS TAX RETURN SAMPLES USED BY THE OFFICE OF TAX ANALYSIS, THIS SAMPLE HAS DIFFERRING WEIGHTS FOR EACH RETURN DUE TO THE SAMPLING METHODOLOGY EMPLOYED IN DRAWING THE SUBSAMPLE. HOWEVER, THE WEIGHTS STILL SUM TO PRODUCE NATIONAL ESTIMATES. ALTHOUGH IT IS POSSIBLE TO PRODUCE SUB-NATIONAL ESTIMATES BY STATE (OR DISTRICT), THIS IS NOT RECOMMENDED SINCE THE NUMBER OF RETURNS IN THE SAMPLE FOR EACH STATE (OR DISTRICT) IS NOT LARGE ENOUGH TO INSURE RELIABLE ESTIMATES FOR MOST ITEMS.

2.4.3. DATA RECORD SPECIFICATION.

EVERY DATA RECORD IN THE TAX SAMPLE REPRESENTS ONE INDIVIDUAL INCOME TAX RETURN AND CONTAINS 234 DATA ITEMS (THE ORIGINAL 200 DATA ITEMS PLUS 34 NEW ITEMS). EACH DATA FIELD IS REFERENCED BY A FIELD SEQUENCE NUMBER AND STORED WITHIN THE DATA FIELD IS A NUMBER WHICH CORRESPONDS TO AN ENTRY MADE ON A FORM 1040 OR AUXILIARY SCHEDULE, A COMPUTED VARIABLE FROM THE TAX MODEL PROGRAM, OR AN IMPUTED VARIABLE EXOGENOUS TO THE TAX MODEL. THE FIRST 74 FIELD SEQUENCE NUMBERS IN TABLE 2.5.1 REFERENCE THE 'BASIC VARIABLES' AND THE REMAINNING FIELD SEQUENCE NUMBERS REFERENCE THE 'OTHER VARIABLES.'

SINCE ELECTRONIC COMPUTERS REQUIRE THAT EACH NUMBER BE CLASSIFIED AS ONE OF TWO MODES--INTEGER MODE(I) OR REAL MODE(R)--THE ARRAY NAME AND SUBSCRIPT NUMBER EMPLOYED BY THE TAX MODEL FOR EACH DATA ITEM APPEARS IN TABLE 2.5.1.

2.4.4. OTHER DOCUMENTATION.

NONE.

TABLE 2.4.1: DATA RECORD SPECIFICATION FOR THE 1978 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO		DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
1	M	1	CONSECUTIVE RETURN NUMBER	COMP	RETNO
2	M	2	MARS MARITAL STATUS CODE	15	MARS
3	M	3	FDED FORM OF DEDUCTION CODE	10	IDEDX
4	M	4	CSAMP COMPUTED SAMPLE CODE	3	MCODE
5	M	5	PRESENT LAW AGI CLASS CODE	COMP	JY
6	M	6	F4972 FORM 4972 CODE	13	F4972
7	D	1	TAXPAYER EXEMPTIONS	29	TXPYE
8	D	2	AGE EXEMPTIONS	30	AGEDE
9	D	3	BLIND EXEMPTIONS	31	BLNDE
10	D	4	DEPENDENT EXEMPTIONS	32	DEPNE
11	D	5	CHILD AT HOME EXEMPTIONS	33	CAHE
12	D	6	CHILD AWAY FROM HOME EXEMPTIONS	34	CAFHE
13	D	7	WAGES, SALARIES, ETC.	39	WAS
14	D	8	DIVIDENDS, GROSS DIVIDENDS	40	GD
15	D	9	DIVIDEXCLND EXCLUSION	COMP	DE
16	D	10	DIVIDENDS, BALANCE IN AGI	41	TAXD
17	D	11	ALL INCOME OTHER THAN DIVIDENDS AND CAPITAL GAINS IN AGI	COMP	RESID
18	D	12	ADJUSTMENTS TO INCOME, SICK PAY	66	SICKPY
19	D	13	TOTAL STATUTORY ADJUSTMENTS	43	ADJUST
20	D	14	+- ADJUSTED GROSS INCOME OR DEFICIT	44	AGIX
21	D	15	INCOME TAX BEFORE CREDITS	45	TAXB
22	D	16	PERSONAL EXEMPTION CREDIT	46	EMCRX
23	D	17	CREDITS, TOTAL	COMP	TXCRD
24	D	18	TENATIVE TAX AFTER CREDITS	COMP	TTAXA
25	D	19	OTHER TAXES, MINIMUM TAX	84	MINTAX
26	D	20	OTHER TAXES, SUBTOTAL EXCLUDING MINIMUM TAX	COMP	OTHERT
27	D	21	INCOME TAX AFTER CREDITS	47	TAXAX
28	D	22	EARNED INCOME CREDIT	51	EICX
29	D	23	TOTAL DEDUCTIONS	72	DX
30	D	24	EXEMPTIONS AMOUNT	73	EXEM
31	D	25	TAXABLE INCOME	74	TINCX
32	D	26	TAX SAVINGS FROM INCOME AVERAGING	COMP	AVESAV
33	D	27	CAPITAL GAINS DISTRIBUTION	58	CGD50

NOTES: COMP = COMPUTED
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TABLE 2.4.1: DATA RECORD SPECIFICATION FOR THE 1978 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
34	D 28	FULLY TAXABLE PENSIONS AND ANNUITIES	61	FTPEN
35	D 29	PENSIONS AND ANNUITIES, TAXABLE PORTION	130	PTPEN
36	D 30	MEDICAL AND DENTAL EXPENSES, BALANCE OF INSURANCE PREMIMUMS	96	BMIP
37	D 31	CONTRIBUTIONS, TOTAL	111	DN1
38	D 32	INTEREST EXPENSE, HOME MORTGAGE	106	HMIE
39	D 33	INTEREST EXPENSE, OTHER	COMP	OIE
40	D 34	INVESTMENT INCOME	COMP	INVY
41	D 35	PERCENT NON-BUSINESS	COMP	PNB
42	D 36	INTEREST EXPENSE, TOTAL	107	DN2
43	D 37	TAXES, TOTAL	105	DN3
44	D 38	MEDICAL AND DENTAL EXPENSES, MEDICINE AND DRUGS	94	DN4
45	D 39	MEDICAL AND DENTAL EXPENSES, MEDICAL AND DENTAL	COMP	DN5
46	D 40	MEDICAL AND DENTAL EXPENSES, FULL MEDICAL INSURANCE PREMIUMS	COMP	DN6
47	D 41	MISC. DEDUCTIONS, ALIMONY PAID	113	ALIMNY
48	D 42	MISC. DEDUCTIONS, CHILD AND DEPENDENT CARE	115	CHILDC
49	D 43	MISC. DEDUCTIONS, TOTAL	117	DN7
50	D 44	NET CASUALTY OR THEFT LOSS	112	DN8
51	D 45	+-SHORT-TERM GAINS OR LOSSES, NET ST GAIN OR LOSS BEFORE CARRYOVER	COMP	STGL
52	D 46	SHORT-TERM GAINS OR LOSSES, PRE-1970 SHORT-TERM CAPITAL LOSS CARRYOVER	COMP	P70STC
53	D 47	SHORT-TERM GAINS OR LOSSES, POST-1969 SHORT-TERM CAPITAL LOSS CARRYOVE	COMP	P69STC
54	D 48	+- SHORT-TERM GAINS OR LOSSES, NET ST CAPITAL GAIN OR LOSS AFTER CARRY	COMP	NSTGL
55	D 49	LONG-TERM GAINS OR LOSSES, NET LT GAIN OR LOSS BEFORE CARRYOVER	COMP	LTGL
56	D 50	LONG-TERM GAINS OR LOSSES, PRE-1970	121	P70LTC

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TABLE 2.4.1: DATA RECORD SPECIFICATION FOR THE 1978 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
		LONG-TERM CAPITAL LOSS CARRYOVER		
57 D	51	LONG-TERM GAINS OR LOSSES, POST-1969 LONG-TERM CAPITAL LOSS CARRYOVER	122	P69LTC
58 D	52	+- LONG-TERM GAINS OR LOSSES, NET LONG-TERM GAIN OR LOSS AFTER CARRYOVER	COMP	NLTGL
59 D	53	NET CAPITAL GAINS OR LOSSES	COMP	NGL
60 D	54	EXCLUDED LONG TERM CAPITAL GAINS	COMP	EXLCG
61 D	55	CAPITAL GAINS OR LOSSES IN AGI AFTER LIMITATION	COMP	CGAGIX
62 D	56	TAX SAVINGS DUE TO ALTERNATIVE TAX	COMP	ALTTAX
63 D	57	LONG-TERM GAINS FROM INSTALLMENT SALES	127	LTGIS
64 D	58	LONG-TERM CAPITAL GAINS SHELTERED UNDER THE ALTERNATIVE TREATMENT	COMP	CGYAX
65 D	59	COMPUTATION OF MIN. TAX, PREFERENCE INCOME NET OF CAPITAL GAINS	COMP	PREFI
66 D	60	COMPUTATION OF MIN. TAX, TOTAL ITEMS OF TAX PREFERENCES	152	PREFX
67 D	61	COMPUTATION OF MIN. TAX, OTHER TAXES REDUCTING PREFERENCE INCOME	COMP	OTRP
68 D	62	COMPUTATION OF MIN. TAX, 1975 NET OPERATING LOSS CARRYOVER	155	NOL75
69 D	63	COMPUTATION OF MIN. TAX, MINIMUM TAX DEFERRED FROM PRIOR YEAR(S)	156	MTDPY
70 D	64	COMPUTATION OF MIN. TAX, UNUSED CREDITS	157	UNCRS
71 D	65	MAX TAX ON EARNED INCOME, TAX SAVINGS FROM MAXIMUM TAX	COMP	MAXTAX
72 D	66	MAX. TAX ON EARNED INCOME, EARNED INCOME	159	EARN
73 D	67	MAX. TAX ON EARNED INCOME, DEDUCTIONS	160	ADJEI
74 D	68	WEIGHT	28	WT
75 D	69	TOTAL EXEMPTIONS	35	
76 D	70	INTEREST INCOME	42	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
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TABLE 2.4.1: DATA RECORD SPECIFICATION FOR THE 1978 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
77 D	71	INCOME TAX WITHHELD	49	
78 D	72	1975 ESTIMATED TAX PAYMENTS	50	
79 D	73	AMOUNT PAID WITH FORM 4868	52	
80 D	74	TAX DUE AT TIME OF FILING	53	
81 D	75	OVERPAYMENT, REFUND	54	
82 D	76	OVERPAYMENT, CREDIT TO 1976 ESTIMATED TAX	55	
83 D	77	TAX PAID WITH RETURN	56	
84 D	78	+- BUSINESS INCOME OR LOSS	57	
85 D	79	SUPPLEMENTAL SCHEDULE, NET GAIN OR NET LOSS	59	
86 D	80	PENSIONS, RENTS, ETC., INCOME OR LOSS	60	
87 D	81	+- FARM INCOME OR LOSS	62	
88 D	82	STATE INCOME TAX REFUNDS	63	
89 D	83	ALIMONY INCOME	64	
90 D	84	+- OTHER INCOME OR LOSS	65	
91 D	85	ADJUSTMENTS TO INCOME, MOVING EXPENSES	67	
92 D	86	ADJUSTMENTS TO INCOME, EMPLOYEE BUSINESS EXPENSES	68	
93 D	87	ADJUSTMENTS TO INCOME, PAYMENTS TO A KEOGH RETIREMENT PLAN	69	
94 D	88	ADJUSTMENTS TO INCOME, PAYMENTS TO INDIVIDUAL RETIREMENT ACCOUNT	70	
95 D	89	ADJUSTMENTS TO INCOME, FORFEITED INTEREST PENALTY	71	
96 D	90	CREDITS, RETIREMENT INCOME	75	
97 D	91	CREDITS, INVESTMENT	76	
98 D	92	CREDITS, FOREIGN TAX	77	
99 D	93	CREDITS, CONTRIBUTIONS TO CANDIDATE	78	
100 D	94	CREDITS, WORK INCENTIVE	79	
101 D	95	CREDITS, PURCHASE OF NEW RESIDENCE	80	
102 D	96	CREDITS, OTHER TAX CREDITS	81	
103 D	97	OTHER TAXES, RECOMPUTED PRIOR YEAR	82	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.4.1: DATA RECORD SPECIFICATION FOR THE 1978 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO		DATA ITEM DESCRIPTION	---REFERENCE--- UNMAPPED SOURCE	EQUIV-ALENT
			INVESTMENT TAX CREDIT		
104	D	98	OTHER TAXES, RECOMPUTED PRIOR YEAR WIN CREDIT	83	
105	D	99	OTHER TAXES, TAX ON PREMATURE DISTRIBUTIONS (FORM 5329)	85	
106	D	100	OTHER TAXES, SELF-EMPLOYMENT TAX	86	
107	D	101	OTHER TAXES, SOCIAL SECURITY TAX ON TIPS, UNCOLLECTED TAX	87	
108	D	102	OTHER TAXES, EXCESS CONTRIBUTIONS TO AN INDIVIDUAL RETIREMENT ACCOUNT	88	
109	D	103	OTHER TAXES, ALL OTHER TAXES	89	
110	D	104	OTHER TAX PAYMENTS, EXCESS FICA/RRTA TAX WITHHELD	90	
111	D	105	OTHER TAX PAYMENTS, CREDIT FOR FEDERAL TAX ON GASOLINE	91	
112	D	106	OTHER TAX PAYMENTS, TOTAL OTHER PAYMENTS	92	
113	D	107	MEDICAL AND DENTAL EXPENSES, 1/2 INSURANCE PREMIUMS	93	
114	D	108	MEDICAL AND DENTAL EXPENSES, MEDICINE AND DRUGS IN EXCESS OF 1%	95	
115	D	109	MEDICAL AND DENTAL EXPENSES, MEDICAL AND DENTAL IN EXCESS OF 3%	98	
116	D	110	MEDICAL AND DENTAL EXPENSES, TOTAL (AFTER INCOME LIMIT)	99	
117	D	111	TAXES, STATE AND LOCAL INCOME TAX	100	
118	D	112	TAXES, REAL ESTATE	101	
119	D	113	TAXES, STATE AND LOCAL GASOLINE	102	
120	D	114	TAXES, GENERAL SALES	103	
121	D	115	TAXES, PERSONAL PROPERTY	104	
122	D	116	TAXES, OTHER	COMP	
123	D	117	CONTRIBUTIONS, CASH	108	
124	D	118	CONTRIBUTIONS, OTHER THAN CASH	109	
125	D	119	CONTRIBUTIONS, CARRYOVER FROM PRIOR YEAR	110	

NOTES: COMP = COMPUTED
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IMPT = IMPUTED ITEM

TABLE 2.4.1: DATA RECORD SPECIFICATION FOR THE 1978 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
126	D 120	CONTRIBUTIONS, OTHER	COMP	
127	D 121	MISC. DEDUCTIONS, UNION DUES	114	
128	D 122	MISC. DEDUCTIONS, POLITICAL CONTRIBUTIONS	116	
129	D 123	MISC. DEDUCTIONS, OTHER	COMP	
130	D 124	SHORT-TERM CAPITAL GAINS OR LOSSES, PRE-1970+POST-1969 ST CAPITAL LOSS	118	
131	D 125	NET LOSS BEFORE LIMITATION	COMP	
132	D 126	ALTERNATIVE TAX	COMP	
133	D 127	PENSIONS AND ANNUITIES, INCOME THIS YEAR	129	
134	D 128	+- RENTS, NET INCOME OR NET LOSS	131	
135	D 129	+- ROYALTIES, NET INCOME OR NET LOSS	132	
136	D 130	PARTNERSHIPS, TOTAL INCOME	133	
137	D 131	PARTNERSHIPS, TOTAL LOSS	134	
138	D 132	+- PARTNERSHIPS, NET INCOME OR NET LOSS	135	
139	D 133	ESTATE OR TRUST, TOTAL INCOME	136	
140	D 134	ESTATE OR TRUST, TOTAL LOSS	137	
141	D 135	+- ESTATE OR TRUST NET INCOME OR NET LOSS	138	
142	D 136	SMALL BUSINESS CORP., TOTAL INCOME	139	
143	D 137	SMALL BUSINESS CORP., TOTAL LOSS	140	
144	D 138	+- SMALL BUSINESS CORPORATION NET INCOME OR NET LOSS	141	
145	D 139	SCHEDULE SE NET EARNINGS FROM SELF-EMPLOYMENT	142	SEEARN
146	D 140	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON LOW-INCOME RENTAL HOUSING	143	
147	D 141	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON OTHER REAL PROPERTY	144	
148	D 142	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON PERSONAL PROPERTY	145	
149	D 143	COMPUTATION OF MIN. TAX, TOTAL	146	

NOTES: COMP = COMPUTED
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TABLE 2.4.1: DATA RECORD SPECIFICATION FOR THE 1978
INDIVIDUAL INCOME TAX RETURN
HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
		AMORTIZATION		
150	D 144	COMPUTATION OF MIN. TAX, STOCK OPTIONS	147	
151	D 145	COMPUTATION O MIN. TAX, RESERVES F FOR BAD DEBTS	148	
152	D 146	COMPUTATION OF MIN. TAX, DEPLETION	149	
153	D 147	COMPUTATION OF MIN. TAX, CAPITAL GAINS	150	
154	D 148	COMPUTATION OF MIN. TAX, EXCLUSION	152	
155	D 149	COMPUTATION OF MIN. TAX, TAX FROM PREMATURE DISTRIBUTIONS(SE RETIREMENT)	153	
156	D 150	COMPUTATION OF MIN. TAX, TAX CARRY-OVER FROM PRIOR YEAR(S)	154	
157	D 151	MAX. TAX ON EARNED INCOME, EARNED NET INCOME	COMP	
158	D 152	MAX. TAX ON EARNED INCOME, TAX PREFERENCES IN EXCESS OF $30,000	COMP	
159	D 153	MAX. TAX ON EARNED INCOME, ADJUSTED EARNED TAXABLE INCOME	COMP	
160	D 154	MAX. TAX ON EARNED INCOME, MAXIMUM TAX	COMP	
161	D 155	FORM 4952, INVESTMENT INTEREST, TOTAL	165	INVIT
162	D 156	FORM 4952, INVESTMENT INTEREST, TOTAL NON-BUSINESS	166	
163	D 157	FORM 4952, INVESTMENT INTEREST, INTEREST DEDUCTION DISALLOWED	167	
164	D 158	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, ORDINARY INCOME PORTION	168	
165	D 159	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, 10-YEAR TOTAL	169	
166	D 160	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TOTAL TAXABLE AMOUNT	170	
167	D 161	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, ADJUSTED TOTAL TAXABLE AMOUNT	171	

NOTES: COMP = COMPUTED
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IMPT = IMPUTED ITEM

TABLE 2.4.1: DATA RECORD SPECIFICATION FOR THE 1978
INDIVIDUAL INCOME TAX RETURN
HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
168	D 162	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TAX ON ORDINARY INCOME	172	
169	D 163	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TAX FROM SPECIAL INCOME	173	TSLSIA
170	D 164	FORM 4972, 1974 INVESTMENT INTEREST , ORDINARY INCOME PORTION	176	
171	D 165	FORM 4972, 1974 INVESTMENT INTEREST , TOTAL BEFORE EXCLUSION	177	
172	D 166	FORM 4972, 1974 INVESTMENT INTEREST , TOTAL TAXABLE AMOUNT	178	
173	D 167	FORM 5405, COST OF RESIDENCE	174	
174	D 168	FORM 5405, ADJUSTED BASIS	175	
175	D 169	INVESTMENT INTEREST, INTEREST EXPENSE ALLOWED, NON-BUSINESS	COMP	INVIA
176	D 170	IMPUTATION, STATE & LOCAL BOND INTEREST	IMPT	
177	D 171	IMPUTATION, SHARE OF WAGE INCOME ATTRIBUTABLE TO SPOUSE	IMPT	
178	D 172	IMPUTATION, SHARE OF WAGE INCOME NOT ATTRIBUTABLE TO HUSBAND'S 1ST JOB	N.A.	
179	D 173	IMPUTATION, FLAG FOR CONVERSION OF CAPITAL GAINS	IMPT	
180	D 174	COMPUTATION MIN. TAX, 1/5 PREF-ERENCES FROM PREVIOUS 5 YEARS	COMP	FIFTH
181	D 175	IMPUTATION, 1978 SOCIAL SECURITY PAYROLL TAX, TAXPAYER	IMPT	
182	D 176	IMPUTATION, 1978 SOCIAL SECURITY PAYROLL TAX, SPOUSE	IMPT	
183	D 177	IMPUTATION, RESERVED FOR FUTURE ADDITIONS.	IMPT	
184	D 178	IMPUTATION, SOCIAL SECURITY & RR.RETIR.BENEFITS	IMPT	
185	D 179	IMPUTATION, EXTRA EXEMPTIONS FOR WITHHOLDING ESTIMATION	IMPT	
186	D 180	IMPUTATION, RESERVED FOR FUTURE	IMPT	

NOTES: COMP = COMPUTED
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IMPT = IMPUTED ITEM

TABLE 2.4.1: DATA RECORD SPECIFICATION FOR THE 1978 INDIVIDUAL INCOME TAX RETURN HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO		DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
			ADDITIONS		
187	D	181	IMPUTATION, RESERVED FOR FUTURE ADDITIONS		IMPT
188	MM	1	BFI BUSINESS OR FARM INDICATOR		1
189	MM	2	BUSIND BUSINESS INDICATOR		2
190	MM	3	CSELI CORRECTED SELECTION ITEM CODE		4
191	MM	4	DCIND DISTRICT OF COLUMBIA INDICATOR		5
192	MM	5	DEPINC DEPENDENT WITH UNEARNED INCOME CODE		6
193	MM	6	DGROUP GROUP CODE		7
194	MM	7	DIST DISTRICT CODE		8
195	MM	8	ELECT PRESIDENTIAL ELECTION FUND CODE		9
196	MM	9	FLPD FILING PERIOD CODE		11
197	MM	10	FORM FORM OF RETURN CODE		12
198	MM	11	HINTX HIGH INCOME NON-TAXABLE RETURN CODE		14
199	MM	12	PSAMP PUNCHED SAMPLE CODE		16
200	MM	13	RESADJ RESIDENCE CREDIT ADJUSTMENT CODE		17
201	MM	14	RECREV REVENUE SHARING RE-CODE		18
202	MM	15	RSHARE REVENUE SHARING CODE		19
203	MM	16	SCHCF SCHEDULE C OR F INDICATOR		20
204	MM	17	SELI SELECTION ITEM CODE		21
205	MM	18	STATE STATE CODE		22
206	MM	19	TAXMOD TAX MODEL CODE		23
207	MM	20	TNOCF TOTAL NUMBER OF PROPRIETORSHIP SCHEDULES		24
208	MM	21	TSAMP TAX MODEL SAMPLE CODE		25
209	MM	22	TXBAL TAX BALANCE CODE		26
210	MM	23	TXST TAX STATUS CODE		27
211	MM	24	PUNCHED SELECTION AMOUNT		36
212	MM	25	*********CONFIDENTIAL*********		37

NOTES: COMP = COMPUTED
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IMPT = IMPUTED ITEM

TABLE 2.4.1: DATA RECORD SPECIFICATION FOR THE 1978
INDIVIDUAL INCOME TAX RETURN
HALF-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
213	MM 26	**********CONFIDENTIAL**********	38	
214	MM 27	**********CONFIDENTIAL********** CONFIDENTIAL	180	
215	MM 28	**********CONFIDENTIAL********** CONFIDENTIAL	181	
216	MM 29	********CONFIDENTIAL********	182	
217	MM 30	**CONFIDENTIAL***	183	
218	MM 31	***CONFIDENTIAL***	184	
219	MM 32	*****CONFIDENTIAL******	185	
220	MM 33	TAXPAYER'S AGE IN 1975	186	TAGE
221	MM 34	*****CONFIDENTIAL******	187	
222	MM 35	*****CONFIDENTIAL*****	188	
223	MM 36	********CONFIDENTIAL********	189	
224	MM 37	********CONFIDENTIAL********* **********	190	
225	MM 38	**********CONFIDENTIAL********** **CONFIDENTIAL**	191	
226	MM 39	**CONFIDENTIAL*	192	
227	MM 40	**CONFIDENTIAL**	193	
228	MM 41	****CONFIDENTIAL*****	194	
229	MM 42	SPOUSE'S AGE IN 1975	195	SAGE
230	MM 43	****CONFIDENTIAL*****	196	
231	MM 44	****CONFIDENTIAL****	197	
232	MM 45	*******CONFIDENTIAL*******	198	
233	MM 46	*******CONFIDENTIAL******** **********	199	
234	MM 47	**********CONFIDENTIAL********** **CONFIDENTIAL**	200	

NOTES: COMP = COMPUTED
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2.5. 1975 MERGED SIE & SOI SAMPLE: MAPPED & PACKED.

2.5.1. A SHORT DESCRIPTION.

THE 1975 MERGED FILE WAS PRODUCED FROM THE 1975 TREASURY PERSONAL TAX MODEL AND A 'TRIM' PROCESSED VERSION OF THE 1975 SIE. THIS SAMPLE CONTAINS 126,663 RETURNS. THE MERGING METHODOLOGY WAS STATISTICAL RATHER THAN EXACT, AND THE PROBLEM WAS CONSTRAINED BY THE WEIGHTS AT THE RECORD LEVEL. THE PROBLEM WAS DIVIDED INTO SIX SUB-PROBLEMS BASED UPON GEOGRAPHICAL LOCATION SO THAT EACH SEPARATE PROBLEM WOULD EASILY FIT THE SIZING DIMENSIONS OF THE TREASURY SOFTWARE.

FACTORS USED FOR MERGING INCLUDED AGE, RACE, SEX, TAX SCHEDULE, NUMBER OF EXEMPTIONS, AGI, WAGES AND SALARIES, BUSINESS INCOME, AND PROPERTY INCOME. RECORDS IN THE SIE FILE WHICH WERE NOT LINKED TO SOI RECORDS WERE CLASSIFIED AS THE NON-FILING POPULATION. THE NON-FILING POPULATION WITH ONLY FEW EXCEPTIONS, CONSISTED OF POTENTIAL TAX RECORDS WITH LITTLE OR NO AGI AS DEFINED BY CURRENT LAW.

THE 1975 MERGED FILE PRODUCES STATISTICS IN CONFORMITY WITH SIE AND THE 1975 TAX MODEL. THE PREVIOUS PROBLEM OF TRUNCATION OF THE WEIGHTS ON INDIVIDUAL RETURNS HAS BEEN CORRECTED SO THAT ALL WEIGHTS ARE CARRIED TO A DECIMAL ACCURACY OF ONE THIRD.

DIFFERENT SAMPLING PROCEDURES WERE USED TO SELECT THE TAX MODEL AND THE SIE. AS A CONSEQUENCE, RECORD SPLITTING IS REQUIRED FOR THE MERGED FILE TO BE STATISTICALLY CONSISTENT WITH EACH OF THE FILES FROM WHICH IT CAME.

2.5.2. SAMPLE COUNTS AND WEIGHTS.

TABLE 2.5.1 PRESENTS THE SAMPLE CODES, SAMPLE STRATUM, AND THE NUMBER OF RETURNS IN EACH STRATUM FOR THE 1975 MERGE SAMPLE. UNLIKE THE EARLIER TAX RETURN SAMPLES, THIS SAMPLE HAS DIFFERRING WEIGHTS FOR EACH RETURN DUE TO THE MERGE PROCESS EMPLOYED TO CREATE THE SAMPLE. HOWEVER, THE WEIGHTS STILL SUM TO PRODUCE THE SAME NATIONAL ESTIMATES THAT ARE PRODUCED BY THE 1975 SOI ALONE.

TABLE 2.5.1: CODES, STRATUM, AND NUMBER OF RETURNS FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE

SAMPLE CODE	SAMPLE STRATUM	NUMBER OF RETURNS	COMMENTS
	NON-BUSINESS AND FARM(SCHEDULE F ONLY) AGI, DEFICIT, OR LSII		
11	UNDER $ 10,000	38,861	
12	$ 10,000 UNDER $ 15,000	13,170	
13	$ 15,000 UNDER $ 20,000	10,077	
14	$ 20,000 UNDER $ 50,000	24,188	
15	$ 50,000 UNDER $100,000	4,508	
16	$100,000 UNDER $200,000	2,021	
17	$200,000 UNDER $500,000	1,131	(ONLY TAXABLE)
18	$200,000 AND OVER	149	(ONLY NON-TAXABLE)
19	$500,000 AND OVER	1,654	(ONLY TAXABLE)
	BUSINESS(SCHEDULE C & F OR C ONLY) AGI, DEFICIT OR LSII		
21	UNDER $ 10,000	2,049	
22	$ 10,000 UNDER $ 15,000	1,706	
23	$ 15,000 UNDER $ 20,000	1,498	
24	$ 20,000 UNDER $ 30,000	2,171	
25	$ 30,000 UNDER $ 50,000	2,384	
26	$ 50,000 UNDER $100,000	1,868	
27	$100,000 UNDER $200,000	811	
28	$200,000 UNDER $500,000	586	(ONLY TAXABLE)
29	$200,000 AND OVER	103	(ONLY NON-TAXABLE)
30	$500,000 AND OVER	1,130	(ONLY TAXABLE)
0	NON-FILING RETURNS	16,598	
	TOTAL	126,663	

2.5.3. DATA RECORD SPECIFICATION.

EVERY DATA RECORD IN THE TAX SAMPLE REPRESENTS ONE INDIVIDUAL INCOME TAX RETURN THAT HAS BEEN MATCHED WITH ONE SIE RECORD

CONTAINING SOCIO-ECONOMIC DATA. EACH RECORD CONTAINS 265 DATA ITEMS (THE ORIGINAL 200 DATA ITEMS FROM THE SCI, THE 34 DATA ITEMS APPENDED TO THE SOI FOR USE BY THE TAX MODEL AND 31 SIE-'TRIM' GENERATED DATA ITEMS). TABLE 2.5.2 PROVIDES A COMPLETE RECORD SPECIFICATION OF ALL THE DATA ITEMS MENTIONED ABOVE.

THE USER WILL NOTE THAT THIS SAMPLE CONTAINS MORE THAN ONE WEIGHT. THE CORRECT WEIGHT TO EMPLOY IS DATA ITEM DD(1).

THE USER SHOULD ALSO NOTE THAT DATA ITEM MM(57) CONTAINS A 0 OR A 1 TO INDICATE THE FILING STATUS OF THE RETURN. IF MM(57) CONTAINS A 1, THE RETURN IS A FILING RETURN, OTHERWISE THE RETURN IS A NON-FILING RETURN.

2.5.4. OTHER DOCUMENTATION.

J. SCOTT TURNER & GARY B. GILLIAM, 'REDUCING AND MERGING FILES', U.S.TREASURY DEPARTMENT, OTA PAPER NO. 7, OCTOBER 1975.

ANNE BERGSMAN, 'DESCRIPTION OF TRIM SIE FILE AT TREASURY', MEMO OF NOVEMBER 7, 1977.(SUPPLY VERY LIMITED)

RICHARD BARR, 'COMPARITIVE STATISTICS FOR 1975 SOI AND SIE DATA FILES', DRAFT WORKING PAPER, APRIL 7,1978.

TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
1	M 1	CONSECUTIVE RETURN NUMBER	COMP	RETNO
2	M 2	MARS MARITAL STATUS CODE	15	MARS
3	M 3	FDED FORM OF DEDUCTION CODE	10	IDEDX
4	M 4	CSAMP COMPUTED SAMPLE CODE	3	MCODE
5	M 5	PRESENT LAW AGI CLASS CODE	COMP	JY
6	M 6	F4972 FORM 4972 CODE	13	F4972
7	D 1	TAXPAYER EXEMPTIONS	29	TXPYE
8	D 2	AGE EXEMPTIONS	30	AGEDE
9	D 3	BLIND EXEMPTIONS	31	BLNDE
10	D 4	DEPENDENT EXEMPTIONS	32	DEPNE
11	D 5	CHILD AT HOME EXEMPTIONS	33	CAHE
12	D 6	CHILD AWAY FROM HOME EXEMPTIONS	34	CAFHE
13	D 7	WAGES, SALARIES, ETC.	39	WAS
14	D 8	DIVIDENDS, GROSS DIVIDENDS	40	GD
15	D 9	DIVIDEND EXCLUSION	COMP	DEXCL
16	D 10	DIVIDENDS, BALANCE IN AGI	41	TAXD
17	D 11	ALL INCOME OTHER THAN DIVIDENDS AND CAPITAL GAINS IN AGI	COMP	RESID
18	D 12	ADJUSTMENTS TO INCOME, SICK PAY	66	SICKPY
19	D 13	TOTAL STATUTORY ADJUSTMENTS	43	ADJUST
20	D 14	+- ADJUSTED GROSS INCOME OR DEFICIT	44	AGIX
21	D 15	INCOME TAX BEFORE CREDITS	45	TAXB
22	D 16	PERSONAL EXEMPTION CREDIT	46	EMCRX
23	D 17	CREDITS, TOTAL	COMP	TXCRD
24	D 18	TENATIVE TAX AFTER CREDITS	COMP	TTAXA
25	D 19	OTHER TAXES, MINIMUM TAX	84	MINTAX
26	D 20	OTHER TAXES, SUBTOTAL EXCLUDING MINIMUM TAX	COMP	OTHERT
27	D 21	INCOME TAX AFTER CREDITS	47	TAXAX
28	D 22	EARNED INCOME CREDIT	51	EICX
29	D 23	TOTAL DEDUCTIONS	72	DX
30	D 24	EXEMPTIONS AMOUNT	73	EXEM
31	D 25	TAXABLE INCOME	74	TINCX
32	D 26	TAX SAVINGS FROM INCOME AVERAGING	COMP	AVESAV
33	D 27	CAPITAL GAINS DISTRIBUTION	58	CGD50

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TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
34 D	28	FULLY TAXABLE PENSIONS AND ANNUITIES	61	FTPEN
35 D	29	PENSIONS AND ANNUITIES, TAXABLE PORTION	130	PTPEN
36 D	30	MEDICAL AND DENTAL EXPENSES, BALANCE OF INSURANCE PREMIMUMS	96	BMIP
37 D	31	CONTRIBUTIONS, TOTAL	111	DN1
38 D	32	INTEREST EXPENSE, HOME MORTGAGE	106	HMIE
39 D	33	INTEREST EXPENSE, OTHER	COMP	OIE
40 D	34	INVESTMENT INCOME	COMP	INVY
41 D	35	PERCENT NON-BUSINESS	COMP	PNB
42 D	36	INTEREST EXPENSE, TOTAL	107	DN2
43 D	37	TAXES, TOTAL	105	DN3
44 D	38	MEDICAL AND DENTAL EXPENSES, MEDICINE AND DRUGS	94	DN4
45 D	39	MEDICAL AND DENTAL EXPENSES, MEDICAL AND DENTAL	COMP	DN5
46 D	40	MEDICAL AND DENTAL EXPENSES, FULL MEDICAL INSURANCE PREMIUMS	COMP	DN6
47 D	41	MISC. DEDUCTIONS, ALIMONY PAID	113	ALIMNY
48 D	42	MISC. DEDUCTIONS, CHILD AND DEPENDENT CARE	115	CHILDC
49 D	43	MISC. DEDUCTIONS, TOTAL	117	DN7
50 D	44	NET CASUALTY OR THEFT LOSS	112	DN8
51 D	45	+-SHORT-TERM GAINS OR LOSSES, NET ST GAIN OR LOSS BEFORE CARRYOVER	COMP	STGL
52 D	46	SHORT-TERM GAINS OR LOSSES, PRE-1970 SHORT-TERM CAPITAL LOSS CARRYOVER	COMP	P70STC
53 D	47	SHORT-TERM GAINS OR LOSSES, POST-1969 SHORT-TERM CAPITAL LOSS CARRYOVE	COMP	P69STC
54 D	48	+- SHORT-TERM GAINS OR LOSSES, NET ST CAPITAL GAIN OR LOSS AFTER CARRY	COMP	NSTGL
55 D	49	LONG-TERM GAINS OR LOSSES, NET LT GAIN OR LOSS BEFORE CARRYOVER	COMP	LTGL
56 D	50	LONG-TERM GAINS OR LOSSES, PRE-1970	121	P70LTC

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TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
		LONG-TERM CAPITAL LOSS CARRYOVER		
57 D	51	LONG-TERM GAINS OR LOSSES, POST-1969 LONG-TERM CAPITAL LOSS CARRYOVER	122	P69LTC
58 D	52	+- LONG-TERM GAINS OR LOSSES, NET LONG-TERM GAIN OR LOSS AFTER CARRYOVER	COMP	NLTGL
59 D	53	NET CAPITAL GAINS OR LOSSES	COMP	NGL
60 D	54	EXCLUDED LONG TERM CAPITAL GAINS	COMP	EXLCG
61 D	55	CAPITAL GAINS OR LOSSES IN AGI AFTER LIMITATION	COMP	CGAGIX
62 D	56	TAX SAVINGS DUE TO ALTERNATIVE TAX	COMP	ALTTAX
63 D	57	LONG-TERM GAINS FROM INSTALLMENT SALES	127	LTGIS
64 D	58	LONG-TERM CAPITAL GAINS SHELTERED UNDER THE ALTERNATIVE TREATMENT	COMP	CGYAX
65 D	59	COMPUTATION OF MIN. TAX, PREFERENCE INCOME NET OF CAPITAL GAINS	COMP	PREFI
66 D	60	COMPUTATION OF MIN. TAX, TOTAL ITEMS OF TAX PREFERENCES	152	PREFX
67 D	61	COMPUTATION OF MIN. TAX, OTHER TAXES REDUCTING PREFERENCE INCOME	COMP	OTRP
68 D	62	COMPUTATION OF MIN. TAX, 1975 NET OPERATING LOSS CARRYOVER	155	NOL75
69 D	63	COMPUTATION OF MIN. TAX, MINIMUM TAX DEFERRED FROM PRIOR YEAR(S)	156	MTDPY
70 D	64	COMPUTATION OF MIN. TAX, UNUSED CREDITS	157	UNCRS
71 D	65	MAX TAX ON EARNED INCOME, TAX SAVINGS FROM MAXIMUM TAX	COMP	MAXTAX
72 D	66	MAX. TAX ON EARNED INCOME, EARNED INCOME	159	EARN
73 D	67	MAX. TAX ON EARNED INCOME, DEDUCTIONS	160	ADJEI
74 D	68	WEIGHT	28	WT
75 D	69	TOTAL EXEMPTIONS	35	
76 D	70	INTEREST INCOME	42	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
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TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
77	D 71	INCOME TAX WITHHELD	49	
78	D 72	1975 ESTIMATED TAX PAYMENTS	50	
79	D 73	AMOUNT PAID WITH FORM 4868	52	
80	D 74	TAX DUE AT TIME OF FILING	53	
81	D 75	OVERPAYMENT, REFUND	54	
82	D 76	OVERPAYMENT, CREDIT TO 1976 ESTIMATED TAX	55	
83	D 77	TAX PAID WITH RETURN	56	
84	D 78	+- BUSINESS INCOME OR LOSS	57	
85	D 79	SUPPLEMENTAL SCHEDULE, NET GAIN OR NET LOSS	59	
86	D 80	PENSIONS, RENTS, ETC., INCOME OR LOSS	60	
87	D 81	+- FARM INCOME OR LOSS	62	
88	D 82	STATE INCOME TAX REFUNDS	63	
89	D 83	ALIMONY INCOME	64	
90	D 84	+- OTHER INCOME OR LOSS	65	
91	D 85	ADJUSTMENTS TO INCOME, MOVING EXPENSES	67	
92	D 86	ADJUSTMENTS TO INCOME, EMPLOYEE BUSINESS EXPENSES	68	
93	D 87	ADJUSTMENTS TO INCOME, PAYMENTS TO A KEOGH RETIREMENT PLAN	69	
94	D 88	ADJUSTMENTS TO INCOME, PAYMENTS TO INDIVIDUAL RETIREMENT ACCOUNT	70	
95	D 89	ADJUSTMENTS TO INCOME, FORFEITED INTEREST PENALTY	71	
96	D 90	CREDITS, RETIREMENT INCOME	75	
97	D 91	CREDITS, INVESTMENT	76	
98	D 92	CREDITS, FOREIGN TAX	77	
99	D 93	CREDITS, CONTRIBUTIONS TO CANDIDATE	78	
100	D 94	CREDITS, WORK INCENTIVE	79	
101	D 95	CREDITS, PURCHASE OF NEW RESIDENCE	80	
102	D 96	CREDITS, OTHER TAX CREDITS	81	
103	D 97	OTHER TAXES, RECOMPUTED PRIOR YEAR	82	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
		INVESTMENT TAX CREDIT		
104	D 98	OTHER TAXES, RECOMPUTED PRIOR YEAR WIN CREDIT	83	
105	D 99	OTHER TAXES, TAX ON PREMATURE DISTRIBUTIONS (FORM 5329)	85	
106	D 100	OTHER TAXES, SELF-EMPLOYMENT TAX	86	
107	D 101	OTHER TAXES, SOCIAL SECURITY TAX ON TIPS, UNCOLLECTED TAX	87	
108	D 102	OTHER TAXES, EXCESS CONTRIBUTIONS TO AN INDIVIDUAL RETIREMENT ACCOUNT	88	
109	D 103	OTHER TAXES, ALL OTHER TAXES	89	
110	D 104	OTHER TAX PAYMENTS, EXCESS FICA/RRTA TAX WITHHELD	90	
111	D 105	OTHER TAX PAYMENTS, CREDIT FOR FEDERAL TAX ON GASOLINE	91	
112	D 106	OTHER TAX PAYMENTS, TOTAL OTHER PAYMENTS	92	
113	D 107	MEDICAL AND DENTAL EXPENSES, 1/2 INSURANCE PREMIUMS	93	
114	D 108	MEDICAL AND DENTAL EXPENSES, MEDICINE AND DRUGS IN EXCESS OF 1%	95	
115	D 109	MEDICAL AND DENTAL EXPENSES, MEDICAL AND DENTAL IN EXCESS OF 3%	98	
116	D 110	MEDICAL AND DENTAL EXPENSES, TOTAL (AFTER INCOME LIMIT)	99	
117	D 111	TAXES, STATE AND LOCAL INCOME TAX	100	
118	D 112	TAXES, REAL ESTATE	101	
119	D 113	TAXES, STATE AND LOCAL GASOLINE	102	
120	D 114	TAXES, GENERAL SALES	103	
121	D 115	TAXES, PERSONAL PROPERTY	104	
122	D 116	TAXES, OTHER	COMP	
123	D 117	CONTRIBUTIONS, CASH	108	
124	D 118	CONTRIBUTIONS, OTHER THAN CASH	109	
125	D 119	CONTRIBUTIONS, CARRYOVER FROM PRIOR YEAR	110	

NOTES: COMP = COMPUTED
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IMPT = IMPUTED ITEM

TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
126	D 120	CONTRIBUTIONS, OTHER	COMP	
127	D 121	MISC. DEDUCTIONS, UNION DUES	114	
128	D 122	MISC. DEDUCTIONS, POLITICAL CONTRIBUTIONS	116	
129	D 123	MISC. DEDUCTIONS, OTHER	COMP	
130	D 124	SHORT-TERM CAPITAL GAINS OR LOSSES, PRE-1970+POST-1969 ST CAPITAL LOSS	118	
131	D 125	NET LOSS BEFORE LIMITATION	COMP	
132	D 126	ALTERNATIVE TAX	COMP	
133	D 127	PENSIONS AND ANNUITIES, INCOME THIS YEAR	129	
134	D 128	+- RENTS, NET INCOME OR NET LOSS	131	
135	D 129	+- ROYALTIES, NET INCOME OR NET LOSS	132	
136	D 130	PARTNERSHIPS, TOTAL INCOME	133	
137	D 131	PARTNERSHIPS, TOTAL LOSS	134	
138	D 132	+- PARTNERSHIPS, NET INCOME OR NET LOSS	135	
139	D 133	ESTATE OR TRUST, TOTAL INCOME	136	
140	D 134	ESTATE OR TRUST, TOTAL LOSS	137	
141	D 135	+- ESTATE OR TRUST NET INCOME OR NET LOSS	138	
142	D 136	SMALL BUSINESS CORP., TOTAL INCOME	139	
143	D 137	SMALL BUSINESS CORP., TOTAL LOSS	140	
144	D 138	+- SMALL BUSINESS CORPORATION NET INCOME OR NET LOSS	141	
145	D 139	SCHEDULE SE NET EARNINGS FROM SELF-EMPLOYMENT	142	SEEARN
146	D 140	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON LOW-INCOME RENTAL HOUSING	143	
147	D 141	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON OTHER REAL PROPERTY	144	
148	D 142	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON PERSONAL PROPERTY	145	
149	D 143	COMPUTATION OF MIN. TAX, TOTAL	146	

NOTES: COMP = COMPUTED
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IMPT = IMPUTED ITEM

TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
		AMORTIZATION		
150	D 144	COMPUTATION OF MIN. TAX, STOCK OPTIONS	147	
151	D 145	COMPUTATION O MIN. TAX, RESERVES FOR BAD DEBTS	148	
152	D 146	COMPUTATION OF MIN. TAX, DEPLETION	149	
153	D 147	COMPUTATION OF MIN. TAX, CAPITAL GAINS	150	
154	D 148	COMPUTATION OF MIN. TAX, EXCLUSION	152	
155	D 149	COMPUTATION OF MIN. TAX, TAX FROM PREMATURE DISTRIBUTIONS(SE RETIREMENT)	153	
156	D 150	COMPUTATION OF MIN. TAX, TAX CARRY-OVER FROM PRIOR YEAR(S)	154	
157	D 151	MAX. TAX ON EARNED INCOME, EARNED NET INCOME	COMP	
158	D 152	MAX. TAX ON EARNED INCOME, TAX PREFERENCES IN EXCESS OF $30,000	COMP	
159	D 153	MAX. TAX ON EARNED INCOME, ADJUSTED EARNED TAXABLE INCOME	COMP	
160	D 154	MAX. TAX ON EARNED INCOME, MAXIMUM TAX	COMP	
161	D 155	FORM 4952, INVESTMENT INTEREST, TOTAL	165	INVIT
162	D 156	FORM 4952, INVESTMENT INTEREST, TOTAL NON-BUSINESS	166	
163	D 157	FORM 4952, INVESTMENT INTEREST, INTEREST DEDUCTION DISALLOWED	167	
164	D 158	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, ORDINARY INCOME PORTION	168	
165	D 159	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, 10-YEAR TOTAL	169	
166	D 160	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TOTAL TAXABLE AMOUNT	170	
167	D 161	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, ADJUSTED TOTAL TAXABLE AMOUNT	171	

NOTES: COMP = COMPUTED
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TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
168	D 162	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TAX ON ORDINARY INCOME	172	
169	D 163	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TAX FROM SPECIAL INCOME	173	TSLSIA
170	D 164	FORM 4972, 1974 INVESTMENT INTEREST , ORDINARY INCOME PORTION	176	
171	D 165	FORM 4972, 1974 INVESTMENT INTEREST , TOTAL BEFORE EXCLUSION	177	
172	D 166	FORM 4972, 1974 INVESTMENT INTEREST , TOTAL TAXABLE AMOUNT	178	
173	D 167	FORM 5405, COST OF RESIDENCE	174	
174	D 168	FORM 5405, ADJUSTED BASIS	175	
175	D 169	INVESTMENT INTEREST, INTEREST EXPENSE ALLOWED, NON-BUSINESS	COMP	INVIA
176	D 170	IMPUTATION, STATE & LOCAL BOND INTEREST	N.A.	
177	D 171	IMPUTATION, SHARE OF WAGE INCOME ATTRIBUTABLE TO HUSBAND	N.A.	
178	D 172	IMPUTATION, SHARE OF WAGE INCOME NOT ATTRIBUTABLE TO HUSBAND'S 1ST JOB	N.A.	
179	D 173	IMPUTATION, RESERVED FOR FUTURE ADDITIONS	IMPT	
180	D 174	COMPUTATION MIN. TAX, 1/5 PREFERENCES FROM PREVIOUS 5 YEARS	COMP	FIFTH
181	D 175	IMPUTATION, RESERVED FOR FUTURE ADDITIONS	IMPT	
182	D 176	IMPUTATION, RESERVED FOR FUTURE ADDITIONS	IMPT	
183	D 177	IMPUTATION, RESERVED FOR FUTURE ADDITIONS.	IMPT	
184	D 178	IMPUTATION, SOCIAL SECURITY & RR RETIRE.BENEFITS	IMPT	
185	D 179	IMPUTATION, RESERVED FOR FUTURE ADDITIONS	IMPT	
186	D 180	IMPUTATION, RESERVED FOR FUTURE	IMPT	

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TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO		DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
			ADDITIONS		
187	D	181	IMPUTATION, RESERVED FOR FUTURE ADDITIONS	IMPT	
188	MM	1	BFI BUSINESS OR FARM INDICATOR	1	
189	MM	2	BUSIND BUSINESS INDICATOR	2	
190	MM	3	CSELI CORRECTED SELECTION ITEM CODE	4	
191	MM	4	DCIND DISTRICT OF COLUMBIA INDICATOR	5	
192	MM	5	DEPINC DEPENDENT WITH UNEARNED INCOME CODE	6	
193	MM	6	DGROUP GROUP CODE	7	
194	MM	7	DIST DISTRICT CODE	8	
195	MM	8	ELECT PRESIDENTIAL ELECTION FUND CODE	9	
196	MM	9	FLPD FILING PERIOD CODE	11	
197	MM	10	FORM FORM OF RETURN CODE	12	
198	MM	11	HINTX HIGH INCOME NON-TAXABLE RETURN CODE	14	
199	MM	12	PSAMP PUNCHED SAMPLE CODE	16	
200	MM	13	RESADJ RESIDENCE CREDIT ADJUSTMENT CODE	17	
201	MM	14	RECREV REVENUE SHARING RE-CODE	18	
202	MM	15	RSHARE REVENUE SHARING CODE	19	
203	MM	16	SCHCF SCHEDULE C OR F INDICATOR	20	
204	MM	17	SELI SELECTION ITEM CODE	21	
205	MM	18	STATE STATE CODE	22	
206	MM	19	TAXMOD TAX MODEL CODE	23	
207	MM	20	TNOCF TOTAL NUMBER OF PROPRIETORSHIP SCHEDULES	24	
208	MM	21	TSAMP TAX MODEL SAMPLE CODE	25	
209	MM	22	TXBAL TAX BALANCE CODE	26	
210	MM	23	TXST TAX STATUS CODE	27	
211	MM	24	PUNCHED SELECTION AMOUNT	36	
212	MM	25	*********CONFIDENTIAL*********	37	

NOTES: COMP = COMPUTED
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TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975
MERGED INDIVIDUAL INCOME TAX RETURN
FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
213	MM 26	**********CONFIDENTIAL**********	38	
214	MM 27	**********CONFIDENTIAL********** CONFIDENTIAL	180	
215	MM 28	**********CONFIDENTIAL********** CONFIDENTIAL	181	
216	MM 29	********CONFIDENTIAL********	182	
217	MM 30	**CONFIDENTIAL***	183	
218	MM 31	***CONFIDENTIAL***	184	
219	MM 32	*****CONFIDENTIAL******	185	
220	MM 33	*****CONFIDENTIAL*****	186	TAGE
221	MM 34	*****CONFIDENTIAL******	187	
222	MM 35	*****CONFIDENTIAL*****	188	
223	MM 36	********CONFIDENTIAL********	189	
224	MM 37	********CONFIDENTIAL********* **********	190	
225	MM 38	**********CONFIDENTIAL********** **CONFIDENTIAL**	191	
226	MM 39	**CONFIDENTIAL*	192	
227	MM 40	**CONFIDENTIAL**	193	
228	MM 41	****CONFIDENTIAL*****	194	
229	MM 42	****CONFIDENTIAL****	195	SAGE
230	MM 43	****CONFIDENTIAL*****	196	
231	MM 44	****CONFIDENTIAL****	197	
232	MM 45	*******CONFIDENTIAL*******	198	
233	MM 46	*******CONFIDENTIAL******** **********	199	
234	MM 47	**********CONFIDENTIAL********** **CONFIDENTIAL**	200	
		****SIE EXTRACT****		
235	MM 48	TRIM RECORD SEQUENCE NUMBER		KPSEQ
236	MM 49	MATCHED TAX RECORD ID		MTRID
237	MM 50	MERGE WEIGHT, INTEGER		MWT

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TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
238	MM 51	SIZE OF FAMILY TO WHICH TAX UNIT BELONGS		FMSIZE
239	MM 52	SIE STATE CODE		STATE
240	MM 53	TENURE		HMSTAT
241	MM 54	FILING UNIT SIZE		FLGSZ
242	MM 55	TRIM SCHEDULE CODE		JSCHED
243	MM 56	DEPENDENT STATUS CODE		DPNTST
244	MM 57	FILER/NON-FILER CODE		FILCOD
245	DD 1	MERGE WEIGHT FLOATING POINT		WTMERG
246	DD 2	ADJUSTED FAMILY TOTAL INCOME		CFTINC
247	DD 3	ADJUSTED HOUSEHOLD TOTAL INCOME		CHTINC
248	DD 4	YEARLY FOOD STAMP BONUS VALUE (FOR UNIT WITH HEAD OF HOUSEHOLD)		FSYEAR
249	DD 5	VETERANS BENEFITS		VETB
250	DD 6	ADJUSTED GOVERNMENT PENSIONS (SUMMED OVER TAX UNIT)		GPNS2
251	DD 7	ADJUSTED PRIVATE PENSIONS (SUMMED OVER TAX UNIT)		PPNS2
252	DD 8	ADJUSTED WORKMENS COMPENSATION (SUMMED OVER TAX UNIT)		WRKC2
253	DD 9	ADJUSTED UNEMPLOYMENT COMPENSATION (SUMMED OVER TAX UNIT)		UNMC2
254	DD 10	ADJUSTED SOIAL SECURITY AND RAILROAD RETIREMENT INCOME		SSEC2
255	DD 11	SIMULATED PUBLIC ASSISTANCE (SUMMED OVER TAX UNIT FOR PA PARTICIPANTS)		WELF2
256	DD 12	FILING UNIT WAGES		WAGES
257	DD 13	HEAD'S HAARE OF WAGES		HWAGES
258	DD 14	FILING UNIT SELF-EMPLOYED NON-FARM		SENF
259	DD 15	HEADS SHARE OF SENF		HSENF
260	DD 16	FILIN UNIT SELF-EMPLOYED FARM INOCM		SEF
261	DD 17	HEAD HAARE OF SEF		HSEF

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TABLE 2.5.2: DATA RECORD SPECIFICATION FOR THE 1975 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	---REFERENCE--- UNMAPPED SOURCE	EQUIV-ALENT
262	DD 18	SOCIAL SECURITY AND RR RETIREMENT DISABILITY AND SURVIVOR EMPLOYEE TAX		HOSDTX
263	DD 19	OSDTX+RRTX FOR WIFE ONLY		WOSDTX
264	DD 20	SOCIAL SECURITY & RR RETIREMENT HEALTH INSURANCE EMPLOYEE TAX FOR HEAD ONLY		HSSHTX
265	DD 21	SSHTX+RRHTX, FOR WIFE ONLY		WSSHTX

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2.6. 1978 MERGED SIE & SOI SAMPLE: MAPPED AND PACKED.

2.6.1. A SHORT DESCRIPTION.

THE 1978 MERGED SIE & SOI SAMPLE IS A COMPOSITE FILE GENERATED FROM TWO INDEPENDENT SOURCES AS WAS THE CASE WITH THE 1975 MERGE FILE. THIS SAMPLE CONTAINS 126,663 RETURNS.

THE SOI PORTION OF EACH RETURN HAS BEEN EXTRAPOLATED TO 1978 LAW AND LEVELS IN THE SAME MANNER AS THE 1978 HALF-SAMPLE. IT IS THEREFORE, ESSENTIALLY THE 1978 HALF-SAMPLE BUT WITH SMALLER WEIGHTS THAT RESULT FROM RECORD SPLITING DURING THE MERGE PROCESS.

THE SIE PORTION OF EACH RETURN HAS BEEN EXTRAPOLATED TO 1978 LAW AND LEVELS BY A SEPERATE METHODOLOGY. THIS METHODOLOGY EXTRAPOLATES THROUGH THE 'TRIM' MODEL IN ORDER TO ACCOMODATE CHANGES IN PROGRAMS THAT EFFECT TRANSFER PAYMENTS.

2.6.2. SAMPLE COUNTS AND WEIGHTS.

UNLIKE THE EARLIER TAX RETURN SAMPLES, THIS SAMPLE HAS DIFFERRING WEIGHTS FOR EACH RETURN DUE TO THE MERGE PROCESS EMPLOYED TO CREATE THE SAMPLE. HOWEVER, THE WEIGHTS STILL SUM TO PRODUCE THE SAME NATIONAL ESTIMATES THAT ARE PRODUCED BY THE 1978 SOI ALONE.

2.6.3. DATA RECORD SPECIFICATIONS.

EVERY DATA RECORD IN THE TAX SAMPLE REPRESENTS ONE INDIVIDUAL INCOME TAX RETURN THAT HAS BEEN MATCHED WITH ONE SIE RECORD CONTAINING SOCIO-ECONOMIC DATA. EACH RECORD CONTAINS 265 DATA ITEMS (THE ORIGINAL 200 DATA ITEMS FROM THE SOI, THE 34 DATA ITEMS APPENDED TO THE SOI FOR USE BY THE TAX MODEL AND 31 SIE-'TRIM' GENERATED DATA ITEMS. TABLE 2.6.1 PROVIDES A COMPLETE RECORD SPECIFICATION OF ALL THE DATA ITEMS MENTIONED ABOVE.

THE USER WILL NOTE THAT THIS SAMPLE CONTAINS MORE THAN ONE WEIGHT. THE CORRECT WEIGHT TO EMPLOY IS DATA ITEM DD(1).

THE USER SHOULD ALSO NOTE THAT DATA ITEM MM(57) CONTAINS A 0 OR A 1 TO INDICATE THE FILING STATUS OF THE RETURN. IF MM(57) CONTAINS

AN 0, THE RETURN IS A FILING RETURN, OTHERWISE THE RETURN IS A NON-FILING RETURN.

2.6.4. OTHER DOCUMENTATION.

NONE AT PRESENT.

TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	---REFERENCE--- UNMAPPED SOURCE	EQUIV-ALENT
1	M 1	CONSECUTIVE RETURN NUMBER	COMP	RETNO
2	M 2	MARS MARITAL STATUS CODE	15	MARS
3	M 3	FDED FORM OF DEDUCTION CODE	10	IDEDX
4	M 4	CSAMP COMPUTED SAMPLE CODE	3	MCODE
5	M 5	PRESENT LAW AGI CLASS CODE	COMP	JY
6	M 6	F4972 FORM 4972 CODE	13	F4972
7	D 1	TAXPAYER EXEMPTIONS	29	TXPYE
8	D 2	AGE EXEMPTIONS	30	AGEDE
9	D 3	BLIND EXEMPTIONS	31	BLNDE
10	D 4	DEPENDENT EXEMPTIONS	32	DEPNE
11	D 5	CHILD AT HOME EXEMPTIONS	33	CAHE
12	D 6	CHILD AWAY FROM HOME EXEMPTIONS	34	CAFHE
13	D 7	WAGES, SALARIES, ETC.	39	WAS
14	D 8	DIVIDENDS, GROSS DIVIDENDS	40	GD
15	D 9	DIVIDEND EXCLUSION	COMP	DEXCL
16	D 10	DIVIDENDS, BALANCE IN AGI	41	TAXD
17	D 11	ALL INCOME OTHER THAN DIVIDENDS AND CAPITAL GAINS IN AGI	COMP	RESID
18	D 12	ADJUSTMENTS TO INCOME, SICK PAY	66	SICKPY
19	D 13	TOTAL STATUTORY ADJUSTMENTS	43	ADJUST
20	D 14	+- ADJUSTED GROSS INCOME OR DEFICIT	44	AGIX
21	D 15	INCOME TAX BEFORE CREDITS	45	TAXB
22	D 16	PERSONAL EXEMPTION CREDIT	46	EMCRX
23	D 17	CREDITS, TOTAL	COMP	TXCRD
24	D 18	TENATIVE TAX AFTER CREDITS	COMP	TTAXA
25	D 19	OTHER TAXES, MINIMUM TAX	84	MINTAX
26	D 20	OTHER TAXES, SUBTOTAL EXCLUDING MINIMUM TAX	COMP	OTHERT
27	D 21	INCOME TAX AFTER CREDITS	47	TAXAX
28	D 22	EARNED INCOME CREDIT	51	EICX
29	D 23	TOTAL DEDUCTIONS	72	DX
30	D 24	EXEMPTIONS AMOUNT	73	EXEM
31	D 25	TAXABLE INCOME	74	TINCX
32	D 26	TAX SAVINGS FROM INCOME AVERAGING	COMP	AVESAV
33	D 27	CAPITAL GAINS DISTRIBUTION	58	CGD50

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TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
34	D 28	FULLY TAXABLE PENSIONS AND ANNUITIES	61	FTPEN
35	D 29	PENSIONS AND ANNUITIES, TAXABLE PORTION	130	PTPEN
36	D 30	MEDICAL AND DENTAL EXPENSES, BALANCE OF INSURANCE PREMIMUMS	96	BMIP
37	D 31	CONTRIBUTIONS, TOTAL	111	DN1
38	D 32	INTEREST EXPENSE, HOME MORTGAGE	106	HMIE
39	D 33	INTEREST EXPENSE, OTHER	COMP	OIE
40	D 34	INVESTMENT INCOME	COMP	INVY
41	D 35	PERCENT NON-BUSINESS	COMP	PN8
42	D 36	INTEREST EXPENSE, TOTAL	107	DN2
43	D 37	TAXES, TOTAL	105	DN3
44	D 38	MEDICAL AND DENTAL EXPENSES, MEDICINE AND DRUGS	94	DN4
45	D 39	MEDICAL AND DENTAL EXPENSES, MEDICAL AND DENTAL	COMP	DN5
46	D 40	MEDICAL AND DENTAL EXPENSES, FULL MEDICAL INSURANCE PREMIUMS	COMP	DN6
47	D 41	MISC. DEDUCTIONS, ALIMONY PAID	113	ALIMNY
48	D 42	MISC. DEDUCTIONS, CHILD AND DEPENDENT CARE	115	CHILDC
49	D 43	MISC. DEDUCTIONS, TOTAL	117	DN7
50	D 44	NET CASUALTY OR THEFT LOSS	112	DN8
51	D 45	+-SHORT-TERM GAINS OR LOSSES, NET ST GAIN OR LOSS BEFORE CARRYOVER	COMP	STGL
52	D 46	SHORT-TERM GAINS OR LOSSES, PRE-1970 SHORT-TERM CAPITAL LOSS CARRYOVER	COMP	P70STC
53	D 47	SHORT-TERM GAINS OR LOSSES, POST-1969 SHORT-TERM CAPITAL LOSS CARRYOVE	COMP	P69STC
54	D 48	+- SHORT-TERM GAINS OR LOSSES, NET ST CAPITAL GAIN OR LOSS AFTER CARRY	COMP	NSTGL
55	D 49	LONG-TERM GAINS OR LOSSES, NET LT GAIN OR LOSS BEFORE CARRYOVER	COMP	LTGL
56	D 50	LONG-TERM GAINS OR LOSSES, PRE-1970	121	P70LTC

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TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NUS		ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
			LONG-TERM CAPITAL LOSS CARRYOVER		
57	D	51	LONG-TERM GAINS OR LOSSES, POST-1969 LONG-TERM CAPITAL LOSS CARRYOVER	122	P69LTC
58	D	52	+- LONG-TERM GAINS OR LOSSES, NET LONG-TERM GAIN OR LOSS AFTER CARRYOVER	COMP	NLTGL
59	D	53	NET CAPITAL GAINS OR LOSSES	COMP	NGL
60	D	54	EXCLUDED LONG TERM CAPITAL GAINS	COMP	EXLCG
61	D	55	CAPITAL GAINS OR LOSSES IN AGI AFTER LIMITATION	COMP	CGAGIX
62	D	56	TAX SAVINGS DUE TO ALTERNATIVE TAX	COMP	ALTTAX
63	D	57	LONG-TERM GAINS FROM INSTALLMENT SALES	127	LTGIS
64	D	58	LONG-TERM CAPITAL GAINS SHELTERED UNDER THE ALTERNATIVE TREATMENT	COMP	CGYAX
65	D	59	COMPUTATION OF MIN. TAX, PREFERENCE INCOME NET OF CAPITAL GAINS	COMP	PREFI
66	D	60	COMPUTATION OF MIN. TAX, TOTAL ITEMS OF TAX PREFERENCES	152	PREFX
67	D	61	COMPUTATION OF MIN. TAX, OTHER TAXES REDUCTING PREFERENCE INCOME	COMP	OTRP
68	D	62	COMPUTATION OF MIN. TAX, 1975 NET OPERATING LOSS CARRYOVER	155	NOL75
69	D	63	COMPUTATION OF MIN. TAX, MINIMUM TAX DEFERRED FROM PRIOR YEAR(S)	156	MTDPY
70	D	64	COMPUTATION OF MIN. TAX, UNUSED CREDITS	157	UNCRS
71	D	65	MAX TAX ON EARNED INCOME, TAX SAVINGS FROM MAXIMUM TAX	COMP	MAXTAX
72	D	66	MAX. TAX ON EARNED INCOME, EARNED INCOME	159	EARN
73	D	67	MAX. TAX ON EARNED INCOME, DEDUCTIONS	160	ADJEI
74	D	68	WEIGHT	28	WT
75	C	69	TOTAL EXEMPTIONS	35	
76	D	70	INTEREST INCOME	42	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
77 D	71	INCOME TAX WITHHELD	49	
78 D	72	1975 ESTIMATED TAX PAYMENTS	50	
79 D	73	AMOUNT PAID WITH FORM 4868	52	
80 D	74	TAX DUE AT TIME OF FILING	53	
81 D	75	OVERPAYMENT, REFUND	54	
82 D	76	OVERPAYMENT, CREDIT TO 1976 ESTIMATED TAX	55	
83 D	77	TAX PAID WITH RETURN	56	
84 D	78	+- BUSINESS INCOME OR LOSS	57	
85 D	79	SUPPLEMENTAL SCHEDULE, NET GAIN OR NET LOSS	59	
86 D	80	PENSIONS, RENTS, ETC., INCOME OR LOSS	60	
87 D	81	+- FARM INCOME OR LOSS	62	
88 D	82	STATE INCOME TAX REFUNDS	63	
89 D	83	ALIMONY INCOME	64	
90 D	84	+- OTHER INCOME OR LOSS	65	
91 D	85	ADJUSTMENTS TO INCOME, MOVING EXPENSES	67	
92 D	86	ADJUSTMENTS TO INCOME, EMPLOYEE BUSINESS EXPENSES	68	
93 D	87	ADJUSTMENTS TO INCOME, PAYMENTS TO A KEOGH RETIREMENT PLAN	69	
94 D	88	ADJUSTMENTS TO INCOME, PAYMENTS TO INDIVIDUAL RETIREMENT ACCOUNT	70	
95 D	89	ADJUSTMENTS TO INCOME, FORFEITED INTEREST PENALTY	71	
96 D	90	CREDITS, RETIREMENT INCOME	75	
97 D	91	CREDITS, INVESTMENT	76	
98 D	92	CREDITS, FOREIGN TAX	77	
99 D	93	CREDITS, CONTRIBUTIONS TO CANDIDATE	78	
100 D	94	CREDITS, WORK INCENTIVE	79	
101 D	95	CREDITS, PURCHASE OF NEW RESIDENCE	80	
102 D	96	CREDITS, OTHER TAX CREDITS	81	
103 D	97	OTHER TAXES, RECOMPUTED PRIOR YEAR	82	

NOTES: COMP = COMPUTED
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IMPT = IMPUTED ITEM

TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
		INVESTMENT TAX CREDIT		
104	D 98	OTHER TAXES, RECOMPUTED PRIOR YEAR WIN CREDIT	83	
105	D 99	OTHER TAXES, TAX ON PREMATURE DISTRIBUTIONS (FORM 5329)	85	
106	D 100	OTHER TAXES, SELF-EMPLOYMENT TAX	86	
107	D 101	OTHER TAXES, SOCIAL SECURITY TAX ON TIPS, UNCOLLECTED TAX	87	
108	D 102	OTHER TAXES, EXCESS CONTRIBUTIONS TO AN INDIVIDUAL RETIREMENT ACCOUNT	88	
109	D 103	OTHER TAXES, ALL OTHER TAXES	89	
110	D 104	OTHER TAX PAYMENTS, EXCESS FICA/RRTA TAX WITHHELD	90	
111	D 105	OTHER TAX PAYMENTS, CREDIT FOR FEDERAL TAX ON GASOLINE	91	
112	D 106	OTHER TAX PAYMENTS, TOTAL OTHER PAYMENTS	92	
113	D 107	MEDICAL AND DENTAL EXPENSES, 1/2 INSURANCE PREMIUMS	93	
114	D 108	MEDICAL AND DENTAL EXPENSES, MEDICINE AND DRUGS IN EXCESS OF 1%	95	
115	D 109	MEDICAL AND DENTAL EXPENSES, MEDICAL AND DENTAL IN EXCESS OF 3%	98	
116	D 110	MEDICAL AND DENTAL EXPENSES, TOTAL (AFTER INCOME LIMIT)	99	
117	D 111	TAXES, STATE AND LOCAL INCOME TAX	100	
118	D 112	TAXES, REAL ESTATE	101	
119	D 113	TAXES, STATE AND LOCAL GASOLINE	102	
120	D 114	TAXES, GENERAL SALES	103	
121	D 115	TAXES, PERSONAL PROPERTY	104	
122	D 116	TAXES, OTHER	COMP	
123	D 117	CONTRIBUTIONS, CASH	108	
124	D 118	CONTRIBUTIONS, OTHER THAN CASH	109	
125	D 119	CONTRIBUTIONS, CARRYOVER FROM PRIOR YEAR	110	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	---REFERENCE--- UNMAPPED SOURCE	EQUIV-ALENT
126	D 120	CONTRIBUTIONS, OTHER	COMP	
127	D 121	MISC. DEDUCTIONS, UNION DUES	114	
128	D 122	MISC. DEDUCTIONS, POLITICAL CONTRIBUTIONS	116	
129	D 123	MISC. DEDUCTIONS, OTHER	COMP	
130	D 124	SHORT-TERM CAPITAL GAINS OR LOSSES, PRE-1970+POST-1969 ST CAPITAL LOSS	118	
131	D 125	NET LOSS BEFORE LIMITATION	COMP	
132	D 126	ALTERNATIVE TAX	COMP	
133	D 127	PENSIONS AND ANNUITIES, INCOME THIS YEAR	129	
134	D 128	+- RENTS, NET INCOME OR NET LOSS	131	
135	D 129	+- ROYALTIES, NET INCOME OR NET LOSS	132	
136	D 130	PARTNERSHIPS, TOTAL INCOME	133	
137	D 131	PARTNERSHIPS, TOTAL LOSS	134	
138	D 132	+- PARTNERSHIPS, NET INCOME OR NET LOSS	135	
139	D 133	ESTATE OR TRUST, TOTAL INCOME	136	
140	D 134	ESTATE OR TRUST, TOTAL LOSS	137	
141	D 135	+- ESTATE OR TRUST NET INCOME OR NET LOSS	138	
142	D 136	SMALL BUSINESS CORP., TOTAL INCOME	139	
143	D 137	SMALL BUSINESS CORP., TOTAL LOSS	140	
144	D 138	+- SMALL BUSINESS CORPORATION NET INCOME OR NET LOSS	141	
145	D 139	SCHEDULE SE NET EARNINGS FROM SELF-EMPLOYMENT	142	SEEARN
146	D 140	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON LOW-INCOME RENTAL HOUSING	143	
147	D 141	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON OTHER REAL PROPERTY	144	
148	D 142	COMPUTATION OF MIN. TAX, ACCEL. DEPR. ON PERSONAL PROPERTY	145	
149	D 143	COMPUTATION OF MIN. TAX, TOTAL	146	

NOTES: COMP = COMPUTED
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TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978
MERGED INDIVIDUAL INCOME TAX RETURN
FULL-SAMPLE; MAPPED AND PACKED

FIELD SEG NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
		AMORTIZATION		
150	D 144	COMPUTATION OF MIN. TAX, STOCK OPTIONS	147	
151	D 145	COMPUTATION O MIN. TAX, RESERVES FOR BAD DEBTS	148	
152	D 146	COMPUTATION OF MIN. TAX, DEPLETION	149	
153	D 147	COMPUTATION OF MIN. TAX, CAPITAL GAINS	150	
154	D 148	COMPUTATION OF MIN. TAX, EXCLUSION	152	
155	D 149	COMPUTATION OF MIN. TAX, TAX FROM PREMATURE DISTRIBUTIONS(SE RETIREMENT)	153	
156	D 150	COMPUTATION OF MIN. TAX, TAX CARRY-OVER FROM PRIOR YEAR(S)	154	
157	D 151	MAX. TAX ON EARNED INCOME, EARNED NET INCOME	COMP	
158	D 152	MAX. TAX ON EARNED INCOME, TAX PREFERENCES IN EXCESS OF $30,000	COMP	
159	D 153	MAX. TAX ON EARNED INCOME, ADJUSTED EARNED TAXABLE INCOME	COMP	
160	D 154	MAX. TAX ON EARNED INCOME, MAXIMUM TAX	COMP	
161	D 155	FORM 4952, INVESTMENT INTEREST, TOTAL	165	INVIT
162	D 156	FORM 4952, INVESTMENT INTEREST, TOTAL NON-BUSINESS	166	
163	D 157	FORM 4952, INVESTMENT INTEREST, INTEREST DEDUCTION DISALLOWED	167	
164	D 158	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, ORDINARY INCOME PORTION	168	
165	D 159	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, 10-YEAR TOTAL	169	
166	D 160	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TOTAL TAXABLE AMOUNT	170	
167	D 161	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, ADJUSTED TOTAL TAXABLE AMOUNT	171	

NOTES: COMP = COMPUTED
RESV = RESERVED FOR FUTURE ADDITIONS
IMPT = IMPUTED ITEM

TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
168	D 162	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TAX ON ORDINARY INCOME	172	
169	D 163	FORM 4972, SPECIAL LUMP-SUM INCOME AVERAGING, TAX FROM SPECIAL INCOME	173	TSLSIA
170	D 164	FORM 4972, 1974 INVESTMENT INTEREST , ORDINARY INCOME PORTION	176	
171	D 165	FORM 4972, 1974 INVESTMENT INTEREST , TOTAL BEFORE EXCLUSION	177	
172	D 166	FORM 4972, 1974 INVESTMENT INTEREST , TOTAL TAXABLE AMOUNT	178	
173	D 167	FORM 5405, COST OF RESIDENCE	174	
174	D 168	FORM 5405, ADJUSTED BASIS	175	
175	D 169	INVESTMENT INTEREST, INTEREST EXPENSE ALLOWED, NON-BUSINESS	COMP	INVIA
176	D 170	IMPUTATION, STATE & LOCAL BOND INTEREST	IMPT	
177	D 171	IMPUTATION, SHARE OF WAGE INCOME ATTRIBUTABLE TO SPOUSE	IMPT	
178	D 172	IMPUTATION, SHARE OF WAGE INCOME NOT ATTRIBUTABLE TO HUSBAND'S 1ST JOB	N.A.	
179	D 173	IMPUTATION, FLAG FOR CONVERSION OF CAPITAL GAINS	IMPT	
180	D 174	COMPUTATION MIN. TAX, 1/5 PREF-ERENCES FROM PREVIOUS 5 YEARS	COMP	FIFTH
181	D 175	IMPUTATION, 1978 SOCIAL SECURITY PAYROLL TAX, TAXPAYER	IMPT	
182	D 176	IMPUTATION, 1978 SOCIAL SECURITY PAYROLL TAX, SPOUSE	IMPT	
183	D 177	IMPUTATION, UNEMPLOYMENT COMPEN-SATION	IMPT	
184	D 178	IMPUTATION, SOCIAL SECURITY & RR.RETIR.BENEFITS	IMPT	
185	D 179	IMPUTATION, EXTRA EXEMPTIONS FOR WITHHOLDING ESTIMATION	IMPT	
186	D 180	IMPUTATION, RESERVED FOR FUTURE	IMPT	

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TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIVALENT
		ADDITIONS		
187	D 181	IMPUTATION, RESERVED FOR FUTURE ADDITIONS		IMPT
188	MM 1	BFI BUSINESS OR FARM INDICATOR		1
189	MM 2	BUSIND BUSINESS INDICATOR		2
190	MM 3	CSELI CORRECTED SELECTION ITEM CODE		4
191	MM 4	DCIND DISTRICT OF COLUMBIA INDICATOR		5
192	MM 5	DEPINC DEPENDENT WITH UNEARNED INCOME CODE		6
193	MM 6	DGROUP GROUP CODE		7
194	MM 7	DIST DISTRICT CODE		8
195	MM 8	ELECT PRESIDENTIAL ELECTION FUND CODE		9
196	MM 9	FLPD FILING PERIOD CODE		11
197	MM 10	FORM FORM OF RETURN CODE		12
198	MM 11	HINTX HIGH INCOME NON-TAXABLE RETURN CODE		14
199	MM 12	PSAMP PUNCHED SAMPLE CODE		16
200	MM 13	RESADJ RESIDENCE CREDIT ADJUSTMENT CODE		17
201	MM 14	RECREV REVENUE SHARING RE-CODE		18
202	MM 15	RSHARE REVENUE SHARING CODE		19
203	MM 16	SCHCF SCHEDULE C OR F INDICATOR		20
204	MM 17	SELI SELECTION ITEM CODE		21
205	MM 18	STATE STATE CODE		22
206	MM 19	TAXMOD TAX MODEL CODE		23
207	MM 20	TNOCF TOTAL NUMBER OF PROPRIETORSHIP SCHEDULES		24
208	MM 21	TSAMP TAX MODEL SAMPLE CODE		25
209	MM 22	TXBAL TAX BALANCE CODE		26
210	MM 23	TXST TAX STATUS CODE		27
211	MM 24	PUNCHED SELECTION AMOUNT		36
212	MM 25	*********CONFIDENTIAL*********		37

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TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978
MERGED INDIVIDUAL INCOME TAX RETURN
FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
213	MM 26	**********CONFIDENTIAL**********	38	
214	MM 27	**********CONFIDENTIAL********** CONFIDENTIAL	180	
215	MM 28	**********CONFIDENTIAL********** CONFIDENTIAL	181	
216	MM 29	********CONFIDENTIAL********	182	
217	MM 30	**CONFIDENTIAL***	183	
218	MM 31	***CONFIDENTIAL***	184	
219	MM 32	*****CONFIDENTIAL******	185	
220	MM 33	TAXPAYER'S AGE IN 1975	186	TAGE
221	MM 34	*****CONFIDENTIAL******	187	
222	MM 35	*****CONFIDENTIAL*****	188	
223	MM 36	********CONFIDENTIAL********	189	
224	MM 37	********CONFIDENTIAL********* **********	190	
225	MM 38	**********CONFIDENTIAL********** **CONFIDENTIAL**	191	
226	MM 39	**CONFIDENTIAL*	192	
227	MM 40	**CONFIDENTIAL**	193	
228	MM 41	****CONFIDENTIAL*****	194	
229	MM 42	SPOUSE'S AGE IN 1975	195	SAGE
230	MM 43	****CONFIDENTIAL*****	196	
231	MM 44	****CONFIDENTIAL****	197	
232	MM 45	*******CONFIDENTIAL*******	198	
233	MM 46	*******CONFIDENTIAL******** **********	199	
234	MM 47	**********CONFIDENTIAL********** **CONFIDENTIAL**	200	
		****SIE EXTRACT****		
235	MM 48	TRIM RECORD SEQUENCE NUMBER		KPSEQ
236	MM 49	MATCHED TAX RECORD ID		MTRID
237	MM 50	MERGE WEIGHT, INTEGER		MWT

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TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978 MERGED INDIVIDUAL INCOME TAX RETURN FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
238	MM 51	SIZE OF FAMILY TO WHICH TAX UNIT BELONGS		FMSIZE
239	MM 52	SIE STATE CODE		STATE
240	MM 53	TENURE		HMSTAT
241	MM 54	FILING UNIT SIZE		FLGSZ
242	MM 55	TRIM SCHEDULE CODE		JSCHED
243	MM 56	DEPENDENT STATUS CODE		DPNTST
244	MM 57	FILER/NON-FILER CODE		FILCOD
245	DD 1	MERGE WEIGHT FLOATING POINT		WTMERG
246	DD 2	ADJUSTED FAMILY TOTAL INCOME		CFTINC
247	DD 3	ADJUSTED HOUSEHOLD TOTAL INCOME		CHTINC
248	DD 4	YEARLY FOOD STAMP BONUS VALUE (FOR UNIT WITH HEAD OF HOUSEHOLD)		FSYEAR
249	DD 5	VETERANS BENEFITS		VETB
250	DD 6	ADJUSTED GOVERNMENT PENSIONS (SUMMED OVER TAX UNIT)		GPNS2
251	DD 7	ADJUSTED PRIVATE PENSIONS (SUMMED OVER TAX UNIT)		PPNS2
252	DD 8	ADJUSTED WORKMENS COMPENSATION (SUMMED OVER TAX UNIT)		WRKC2
253	DD 9	ADJUSTED UNEMPLOYMENT COMPENSATION (SUMMED OVER TAX UNIT)		UNMC2
254	DD 10	ADJUSTED SOIAL SECURITY AND RAIL-ROAD RETIREMENT INCOME		SSEC2
255	DD 11	SIMULATED PUBLIC ASSISTANCE (SUMMED OVER TAX UNIT FOR PA PARTI-CIPANTS)		WELF2
256	DD 12	FILING UNIT WAGES		WAGES
257	DD 13	HEAD'S HAARE OF WAGES		HWAGES
258	DD 14	FILING UNIT SELF-EMPLOYED NON-FARM		SENF
259	DD 15	HEADS SHARE OF SENF		HSENF
260	DD 16	FILIN UNIT SELF-EMPLOYED FARM INCOM		SEF
261	DD 17	HEAD HAARE OF SEF		HSEF

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TABLE 2.6.1: DATA RECORD SPECIFICATION FOR THE 1978
MERGED INDIVIDUAL INCOME TAX RETURN
FULL-SAMPLE; MAPPED AND PACKED

FIELD SEQ NOS	ARRAY NAME & NO	DATA ITEM DESCRIPTION	REFERENCE UNMAPPED SOURCE	REFERENCE EQUIV-ALENT
262	DD 18	SOCIAL SECURITY AND RR RETIREMENT DISABILITY AND SURVIVOR EMPLOYEE TAX		HOSDTX
263	DD 19	OSDTX+RRTX FOR WIFE ONLY		WOSDTX
264	DD 20	SOCIAL SECURITY & RR RETIREMENT HEALTH INSURANCE EMPLOYEE TAX FOR HEAD ONLY		HSSHTX
256	DD 21	SSHTX+RRHTX, FOR WIFE ONLY		WSSHTX

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APPENDIX A

A. SUMMARY OF THE SAMPLING METHODOLOGY.

STEP I: UNSTRATIFYING THE REGIONAL GROUPS.

THE STATISTICS OF INCOME (SOI) SAMPLE WAS STRATIFIED BY MAPPING EACH STATE INTO ONE OF FIVE REGIONAL GROUPS ON THE BASIS OF STATE SIZE AND ASSIGNNING DIFFERRENT SAMPLING RATES TO EACH REGIONAL GROUP. THE TAX MODEL, AS EMPLOYED BY THE OFFICE OF TAX ANALYSIS (OTA), IS ALWAYS USED FOR NATIONAL ESTIMATES AND NEVER STATE OR REGIONAL ESTIMATES. THEREFORE, A SAMPLE IS NEEDED WHERE THE PROBABILITY THAT A RETURN IS INCLUDED IN THE SAMPLE IS INDEPENDENT OF ITS GEOGRAPHICAL LOCATION. THIS WOULD REQUIRE A CONSTANT SAMPLING RATE ACROSS THE REGIONAL GROUPS.

THE GENERAL METHODOLOGY FOR UNSTRATIFYING THE REGIONAL GROUPS IS AS FOLLOWS:

SAMPLE ACCORDING TO TABLE 2.A.1. THE WEIGHTS OF THE ORETAINED RETURNS ARE MULTIPLIED BY THE SAMPLING RATE OF THEIR CELLS.

THE FINAL RESULT OF UNSTRATIFYING THE REGIONAL GROUPS WAS TO REDUCE THE SOI SAMPLE FROM 206,263 RETURNS TO A SAMPLE OF 154,351 RETURNS.

TABLE 2.A.1: SAMPLING RATIOS BY REGIONAL GROUP AND SAMPLE CLASS

CSAMP	R E G I O N S				
	I	II	III	IV	V
11	7.32	3.73	1.46	1.31	1.00
12	8.14	3.79	1.55	1.00	1.42
13	7.44	3.85	1.74	1.09	1.00
14	9.30	4.89	2.17	1.78	1.00
15	10.00	4.00	2.00	1.60	1.00
16	7.00	3.50	1.75	1.00	1.00
17	3.00	3.00	3.00	1.67	1.00
18	1.00	1.00	1.00	1.00	1.00
19	1.00	1.00	1.00	1.00	1.00
21	7.14	11.11	1.25	1.00	2.19
22	6.00	9.00	1.16	1.00	1.16
23	5.20	7.65	1.24	1.04	1.00
24	5.72	7.90	1.31	1.14	1.00
25	5.50	5.50	1.10	1.10	1.00
26	6.25	7.14	1.25	1.00	1.14
27	10.00	5.00	1.67	1.00	1.00
28	4.00	4.00	2.00	1.00	1.00
29	1.00	1.00	1.00	1.00	1.00
30	1.00	1.00	1.00	1.00	1.00

STEP II: RESTRATIFYING THE RETURNS.

THIS STEP CONSISTS OF CORRECTING FOR AN OVER-SAMPLING OF FARM RETURNS AND BUSINESS RETURNS FROM OTA'S POINT OF VIEW. THE STATISTICS DIVISION OF IRS IN THEIR SAMPLING STRATIFICATION EMPLOYS NOT ONLY AGI AND LARGEST SINGLE INCOME ITEM (LSII) BUT ALSO GROSS RECIEPTS. WHEN THESE GROSS RECIEPTS ARE DERIVED FROM FARM ACTIVITY, THE RETURN IS CLASSIFIED -- IN 1975 -- IN SAMPLE CODES 11 THROUGH 19, THE SO CALLED NON-BUSINESS CODES, WHILE THE RETURN IS PLACED IN SAMPLE CODES 21 THROUGH 30 IF THE RECIEPTS ARE FROM A BUSINESS. OTA, HOWEVER, DOES NOT CARE ABOUT STRATIFYING ON THE BASIS OF GROSS RECIEPTS BECAUSE THIS USUALLY LEADS TO AN OVERSAMPLING OF RETURNS, I.E. GROSS BUSINESS RECIEPTS CLASSIFIES A RETURN IN A SAMPLE CLASS WITH A HIGHER SAMPLING RATE THAN WOULD HAVE BEEN THE CASE USING OTHER INFORMATION THAT APPEARS ON THE TAX RETURN.

IN 1975, IRS FOR THE FIRST TIME (AND AT OTA'S REQUEST) PROVIDED FOR A SEPERATE STRATIFICATION IGNORING GROSS FARM & BUSINESS RECIEPTS. THESE SAMPLE CATEGORIES WERE LABELLED 'TSAMP' TO DISTINGUISH THEM FROM THE 'CSAMP' CODES USED IN THE SOI. WE MADE USE OF THESE TO REDUCE THE SOI'S OVERSAMPLING BY USING TABLE 2.A.2 WITH THE ATTACHED INSTRUCTIONS.

AS A RESULT OF RESTRATIFYING THE RETURNS, ABOUT 5 PERCENT OR SOME 8,000 RETURNS WERE ELIMINATED, LEAVING A SAMPLE OF 146,749 RETURNS. THE SAMPLING RATES AND RECIPROCALS DO NOT WORK OUT PRECISELY: THE ORIGINAL SAMPLE REPRESENTED 82,230,256 RETURNS WHILE THE NEW SAMPLE REPRESENTS 82,226,223 RETURNS. THIS IS AN ERROR OF 0.005 PERCENT.

TABLE 2.A.2: SAMPLE RATES FOR REALLOCATED RETURNS

T S A M P C O D E S

CSAMP	11	12	13	14	15	16	17	19
12	1.78	1.00						
13	3.00	1.67	1.00					
14	3.10	1.71	1.00	1.00				
15	50.34	27.85	16.50	15.60	1.00			
16	281.44	155.70	92.21	87.17	5.50	1.00		
17	667.25	369.12	218.64	206.65	13.00	2.35	1.00	
19	2015.11	1114.75	660.29	624.11	39.22	7.10	3.00	1.00

	21	22	23	24	25	26	27	28	30
22	1.12	1.00							
23	1.55	1.19	1.00						
24	1.76	1.36	1.03	1.00					
25	3.67	2.82	2.15	1.77	1.00				
26	8.00	6.18	4.70	3.89	1.80	1.00			
27	40.20	30.92	23.52	19.44	9.00	3.92	1.00		
28	100.50	77.29	58.80	48.59	22.48	9.81	2.29	1.00	
30	402.04	309.17	235.21	194.35	89.91	39.25	9.15	3.86	1.

A) FOR CSAMP CODES 11, 18, 21, & 29 KEEP ALL.
B) FOR THE REST, SAMPLE ACCORDING TO TABLE 2.A.1, REWEIGHTING EACH SELECTED RETURN BY THE INVERSE OF ITS SAMPLING RATE.

E.G. THERE ARE 174 RETURNS WITH CSAMP = 25 AND TSAMP = 21. SAMPLE FROM THESE AT A RATE OF 1 IN 3.67. EITHER 47 OR 48 RETURNS WILL BE SELECTED AND THE WEIGHT OF EACH ONE SHOULD BE MULTIPLIED BY 3.67.

STEP III: SELECTING A SUBSAMPLE.

A TAX MODEL SAMPLE OF EVEN 147,000 RETURNS IS STILL FAR TOO LARGE FOR PRACTICAL PURPOSES WITHIN OTA. OTA MAKES OVER 1,200 TAX MODEL RUNS PER YEAR AND A SAMPLE OF 147,000 RETURNS WOULD ALMOST TRIPLE THE COMPUTER TIME NEEDED FOR EACH RUN. AS A PRACTICAL NECESSITY, A SMALLER SAMPLE IS REQUIRED. PAST EXPERIENCE WITHIN OTA HAS INDICATED THAT A SAMPLE SIZE OF APPROXIMATELY 50,000 (50K) RETURNS IS SUFFICIENT FOR MOST TAX MODEL SIMULATIONS.

GIVEN THE 21 STRATA INTO WHICH THE SOI SAMPLE IS DIVIDED, WHAT TECHNIQUE WILL PRODUCE A 50K SUBSAMPLE THAT IS "OPTIMAL"? IN OTHER WORDS, HOW SHOULD RETURNS FROM EACH OF THE 21 STRATA IN THE FULL SOI BE CHOSEN TO PRODUCE A 50K SUBSAMPLE WHERE THE ESTIMATE OF THE MEAN WILL HAVE THE SMALLEST POSSIBLE STANDARD ERROR? THIS CAN BE ACCOMPLISHED BY REQUIRING THAT THE SAMPLING RATE FOR EACH STRATUM BE PROPORTIONAL TO THE STANDARD DEVIATION OF THE VARIABLE IN THAT STRATUM. THIS IS INTUITIVELY APPEALING: IF ONE GROUP HAS TWICE AS MUCH VARIABLITY AS ANOTHER, IT SHOULD BE SAMPLED TWICE AS HEAVILY. HOWEVER, WHAT IS AN "OPTIMAL" STRATIFICATION FOR ONE VARIABLE MAY BE QUITE DIFFERENT FROM WHAT IS OPTIMAL FOR ANOTHER VARIABLE.

TABLE 2.A.3 PRESENTS EIGHT VARIABLES THAT WERE CONSIDERED AS STRATIFYING VARIABLES BY THE OFFICE OF TAX ANALYSIS. THE LAST COLUMN SHOWS THE STANDARD ERRORS OF THE 50K TAX MODEL SUBSAMPLE WHICH WAS DERIVED BY OPTIMIZING ON TAXES PAID. AS CAN BE SEEN, THE STANDARD ERRORS IN THE NEW TAX MODEL ARE LESS FOR EVERY VARIABLE EXCEPT PREFERENCE INCOME THAN IF OTA HAD FOLLOWED ITS' PAST PRACTICE OF NAIVELY SUBSAMPLING THE SOI SAMPLE.

TABLE 2.A.3: STANDARD ERRORS OF ESTIMATE IN DOLLARS FOR EIGHT VARIABLES CONSIDERED AS STRATIFYING VARIABLES FOR OPTIMIZATION OF THE TAX MODEL SUBSAMPLE.

	MEAN VALUE	RANDOM SAMPLE	SOI SAMPLE	NAIVE TAX MODEL SAMPLE	OPTI-MIZED ON TAX
SAMPLE SIZE:		147K	147K	50K	50K
WAGES & SALARIES	9,683	22.7	15.7	26.0	22.3
DIVIDENDS	281	19.1	3.5	6.0	5.0
INTEREST	528	7.3	5.0	8.6	7.1
AGI	11,526	60.0	12.9	22.2	18.3
TAXABLE INCOME	7,242	35.7	10.6	18.1	14.5
CAPITAL GAINS	169	21.7	2.9	4.9	4.4
PREFERENCE INCOME	64	21.6	1.0	1.7	2.1
TAX (AFTER CREDITS)	1,513	18.5	2.6	4.7	3.7

AS TABLE 2.A.4 SHOWS, THE FINAL SAMPLE SELECTION INCLUDED ALL OF THE 252 RETURNS WITH THE CSAMP CODES 18 & 29. THESE RETURNS ALL HAD AGI'S OF OVER $200,000 AND PAID ZERO TAX. WHILE THE STANDARD DEVIATION AND THE POPULATION NUMBERS INVOLVED WERE SO SMALL THAT NONE OF THE OPTIMIZING VARIABLES CALLED FOR INCLUSION OF THESE RETURNS IN THE FINAL SAMPLE, IT SEEMED A WASTE TO THROW THEM OUT AFTER IRS HAD SELECTED THEM.

IN ALL CASES, THE ORIGINAL WEIGHT OF THE RETURN WAS MULTIPLIED BY THE SAMPLING RATE. THE AVERAGE WEIGHT IN THE ORIGINAL 200,000 SOI SAMPLE WAS 399. IN THE FINAL 50K SUBSAMPLE, THE AVERAGE WEIGHT IS ABOUT 1,645 AND THE MAXIMUM WEIGHT IS 5,148.

TABLE 2.A.4: SAMPLING RATES FOR THE 50K SUBSAMPLE
OPTIMIZED ON TAXES PAID

REALLOCATED CSAMP	SAMPLE RATE	SAMPLE SIZE
11	1.8680	10,698
12	2.3000	5,197
13	3.1050	4,539
14	1.0960	13,951
15	4.5810	3,311
16	9.9800	1,790
17	7.8160	1,082
18	1.0000	149
19	2.4530	1,644
21	10.2960	639
22	7.0800	585
23	7.1350	614
24	4.9350	957
25	4.7170	1,105
26	3.6050	1,339
27	6.6690	714
28	5.6050	468
29	1.0000	103
30	2.1410	1,115
TOTAL	2.935	50,000

APPENDIX B

B. ANOMALIES IN THE 1975 DATA BASE.

THIS SECTION LISTS THE MAJOR ANOMALIES THAT WERE ENCOUNTERED ON THE 1975 TAX MODEL SAMPLE AND HOW THESE ANOMALIES WERE EDITED IN ORDER TO PRODUCE A 'CLEAN' SAMPLE. THE TREATMENT OF EACH ANOMALY WAS DETERMINED BY ANSWERING THE FOLLOWING SERIES OF QUESTIONS:

(A) IS THE ANOMALY THE RESULT OF AN ERROR IN THE CODING OF THE MODEL'S TAX CALCULATOR? IF SO, THE MODEL WAS CORRECTED.

(B) IS THE ANOMALY THE RESULT OF AN INFREQUENTLY EXCERSISED PROVISION OF THE TAX CODE? IF SO, WILL THE INCLUSION OF THIS PROVISION SUFFICIENTLY INCREASE THE ACCURACY OF THE TAX MODEL WITHOUT UNDULY COMPLICATING THE USE OF THE MODEL?

(C) IS THE ANOMALY THE RESULT OF AN ADMINISTRATIVE PRACTICE EMPLOYED BY THE INTERNAL REVENUE SERVICE? IF SO, WHAT ARE THE COSTS AND BENEFITS OF INCLUDING THIS PRACTICE IN THE TAX MODEL? IF THE COSTS ARE PROHIBITIVE, CAN PART OF THE BENEFITS BE CAPTURED AT A LOWER COST BY APPROXIMATING THE ADMINISTRATIVE PRACTICE?

(D) IS THE ANOMALY THE RESULT OF TAXPAYER IGNORANCE? IF SO, HOW WILL THE ASSUMPTION OF RATIONALITY AFFECT THE TAX REVENUES GENERATED BY THE MODEL?

(E) IS THE ANOMALY THE RESULT OF A MATHEMATICAL ERROR MADE BY THE TAXPAYER OR TAX PREPARER? IF SO, THESE WERE CORRECTED.

(F) IS THE ANOMALY DUE TO ROUNDING ERROR BY THE TAX MODEL, THE TAXPAYER, OR THE IRS? IF THE DISCREPANCY IN FINAL TAX LIABILITY WAS ONE DOLLAR OR LESS, THE TAX LIABILITY GENERATED BY THE TAX MODEL IS ASSUMED TO BE CORRECT.

(G) IS THE ANOMALY UNEXPLAINABLE BY ANY OTHER MEANS? IF SO, THE TAX MODEL RESULTS ARE ASSUMED TO BE TRUE AND CORRECT.

(1) CAPITAL LOSSES ARE LIMITED TO THE SMALLER OF THE ACTUAL CAPITAL LOSS, $1000 ($500 FOR MARRIED FILING SEPERATELY), OR TAXABLE INCOME. IF THE TAXABLE INCOME CONSTRAINT WERE INCORPORATED IN THE TAX CALCULATOR, THE TAX MODEL WOULD BECOME AN ITTERATIVE PROGRAM RATHER THAN A SEQUENTIAL PROGRAM. THIS WOULD INCREASE THE COMPLEXITY OF THE TAX MODEL AND THE EXECUTION TIME FOR EACH TAX MODEL RUN. THE RESULTING BENEFIT WOULD BE A SMALL INCREASE IN THE ACCURACY OF THE ESTIMATES OF ADJUSTED GROSS INCOME. CONSEQUENTLY, THE TAXABLE INCOME CONSTRAINT WAS OMITTED FROM THE TAX CALCULATOR AND CAPITAL LOSSES ARE REFLECTED IN AGI WHEN TAXABLE INCOME IS ZERO. THUS, THE AGGREGATE AGI CALCULATED BY THE TAX MODEL IS SLIGHTLY LOWER THAN THE AGGREGATE AGI FOUND ON THE 1975 DATA BASE.

(2) ON SOME RETURNS, THE CAPITAL LOSS LIMITATION HAS NOT BEEN CORRECTLY APPLIED. ON THESE RETURNS, CAPITAL LOSSES IN ADJUSTED GROSS INCOME EXCEED THE $1000 LIMITATION. EACH RETURN WAS CORRECTED TO REFLECT THE CURRENT TAX LAW.

(3) CAPITAL LOSSES BELOW THE LOSS LIMITATION HAVE BEEN CALCULATED INCORRECTLY ON SOME RETURNS. IN A FEW CASES, THERE WERE NO CAPITAL LOSSES IN AGI WHEN THERE SHOULD HAVE BEEN. BOTH SITUATIONS WERE CORRECTED IN ACCORDANCE WITH THE TAX LAW.

(4) ON SOME RETURNS, THE EXCLUDED PORTION OF LONG TERM GAINS IN EXCESS OF SHORT TERM LOSSES IS PROPERLY OMITTED FROM ADJUSTED GROSS INCOME BUT IS NOT PROPERLY INCLUDED ON FORM 4625 (MINIMUM TAX). IT WOULD APPEAR THAT THE OMISSION OF EXCLUDED LONG TERM CAPITAL GAINS FROM THE CALCULATION OF PREFERENCE INCOME IS DUE TO THE FACT THAT THESE RETURNS DID NOT BENEFIT FROM THE PREFERENTIAL TREATMENT OF CAPITAL GAINS SINCE THEIR LOSSES FROM OTHER SOURCES WERE LARGE ENOUGH TO MAKE THEIR ADJUSTED GROSS INCOME NEGATIVE IN THE ABSENCE OF THE CAPITAL GAINS PROVISIONS. REGULATION 1.57-4, LIMITATION ON AMOUNTS TREATED AS ITEMS OF TAX PREFERENCE, PROVIDES FOR A REDUCTION IN THE AMOUNT OF TAX PREFERENCE WHEN ALL OR PART OF ANY ITEM OF TAX PREFERENCE RESULTS IN NO TAX BENEFIT DUE TO MODIFICATIONS REQUIRED UNDER SECTION 172 (C) OR (B)(2)--COMPUTATION OF NET OPERATING LOSS. SINCE THE DATA NECESSARY FOR THESE COMPUTATIONS ARE NOT AVAILABLE ON THE SAMPLE, REGULATION 1.57-4 WAS APPROXIMATED BY USING THE FOLLOWING TWO EQUATIONS--

```
NOBEN = -AMIN1(0.0,TINC)

NOBEN = AMAX1(0.0, NOBEN - NOL75)

PREF  = PREFI + AMAX1(0.0, EXLCG - NOBEN)
```

WHERE NOBEN IS THE EXCESS DEDUCTIONS, EXEMPTIONS, AND LOSSES OTHER THAN CAPITAL LOSSES, WHICH WERE NOT NEEDED

TO MAKE TAXABLE INCOME GO NEGATIVE.
NOL75 IS THE NET OPERATING LOSS FOR 1975.
TINC IS TAXABLE INCOME BEFORE BEING CONSTRAINED TO ZERO.
PREF IS TOTAL PREFERENCE INCOME
PREFI IS TOTAL PREFERENCE INCOME NET OF EXCLUDED LONG TERM GAINS IN EXCESS OF SHORT TERM LOSSES.
EXLCG IS EXCLUDED LONG TERM GAINS IN EXCESS OF SHORT TERM LOSSES.

(5) THERE EXIST SOME RETURNS WHERE THE EXCLUDED PORTION OF LONG TERM CAPITAL GAINS INCLUDED IN PREFERENCE INCOME IS LARGER THAN THE EXCLUDED PORTION OF LONG TERM CAPITAL GAINS OMITTED FROM ADJUSTED GROSS INCOME. SINCE THIS SITUATION IS IMPOSSIBLE, EACH RETURN WAS CORRECTED SO THAT THE CORRECT AMOUNT OF EXCLUDED LONG TERM CAPITAL GAINS ARE INCLUDED IN PREFERENCE INCOME.

(6) ON THE OTHER HAND, THE EXCLUDED PORTION OF LONG TERM CAPITAL GAINS INCLUDED IN PREFERENCE INCOME IS SMALLER THAN THE EXCLUDED PORTION OF LONG TERM CAPITAL GAINS OMITTED FROM ADJUSTED GROSS INCOME ON OTHER RETURNS. THIS ALSO THE IS RESULT OF REGULATION 1.57-4 AND WAS TREATED THE SAME AS ITEM 4 ABOVE.

(7) ON SOME RETURNS, THE CALCULATION OF THE MINIMUM TAX IS MATHERMATICALLY INCORRECT. ON OTHER RETURNS, THE MINIMUM TAX AS CALCULATED BY THE TAX MODEL IS PLUS OR MINUS ONE DOLLAR FROM THE MINIMUM TAX FOUND ON THE 1975 DATA BASE. THE TAX MODEL RESULTS WERE USED IN BOTH OF THESE CASES.

(8) ON SOME MINIMUM TAX RETURNS, THERE IS A FIGURE FOR TOTAL PREFERENCE INCOME BUT NO COMPONENTS FOR TOTAL PREFERENCE INCOME. CONSEQUENTLY, PREFERENCE INCOME NET OF EXCLUDED LONG TERM CAPITAL GAINS IN EXCESS OF SHORT TERM CAPITAL LOSSES WAS SET EQUAL TO TOTAL PREFERENCE INCOME. THIS FORCES THE TAX MODEL TO CALCULATE THE CORRECT MINIMUM TAX. HOWEVER, THESE RETURNS WILL BE UNRESPONSIVE TO ANY CHANGE IN THE DEFINITION OF PREFERENCE INCOME.

(9) ON OTHER MINIMUM TAX RETURNS, THE TOTAL FOR PREFERENCE INCOME DOES NOT EQUAL THE SUM OF ITS COMPONENTS. THE TOTAL COMPUTED BY THE TAX MODEL REPLACED THE TOTAL FOUND ON THE 1973 DATA BASE.

(10) SOME RETURNS DID NOT BOTHER TO FILE A MINIMUM TAX RETURN ALTHOUGH THEIR EXCLUDED LONG TERM GAINS WERE WELL IN EXCESS OF $30,000 AND THEIR TAX LIABILITIES WERE POSITIVE. APPARENTLY, THESE RETURNS HAVE NOT BEEN AUDITED AND WILL FILE A MINIMUM TAX RETURN WHEN AUDITED. THEREFORE, THE RESULTS OF THE TAX MODEL WERE USED.

(11) RETURNS WHICH HAVE NO FORM OF DEDUCTION, I.E. ADJUSTED GROSS INCOME IS LESS THAN OR EQUAL TO ZERO, ARE CLASSIFIED AS STANDARD

DEDUCTION RETURNS.

(12) THE 1975 DATA BASE APPARENTLY CONTAINS SOME LATE OR AMMENDED RETURNS FILED UNDER A TAX CODE OTHER THAN THE 1975 TAX CODE (THERE ARE DEFINITELY SOME RETURNS FILED UNDER THE 1973 TAX CODE). WHEN THESE RETURNS ARE PROCESSED BY THE TAX CALCULATOR, THEY SWITCH FROM THE PERCENTAGE STANDARD DEDUCTION OR THE LOW INCOME ALLOWANCE TO THE MINIMUM STANDARD DEDUCTION WITH AN ACCOMPANYING LOSS IN REVENUE AND THE NUMBER OF TAXABLE RETURNS. THE ALTERNATIVE, HOWEVER, WOULD BE TO INCLUDE A SEPERATE TAX CALCULATOR FOR THE LATE OR AMMENDED RETURNS. SINCE THIS ALTERNATIVE UNDULY COMPLICATES THE USE OF THE TAX MODEL, EACH LATE OR AMMENDED RETURN'S TAX LIABILITY WAS RECALCULATED UNDER THE 1975 TAX CODE.

(13) THERE ARE A NUMBER OF RETURNS WHICH HAD ZERO DEDUCTIONS AND A POSITIVE TAX. APPARENTLY, THE INDIVIDUALS FILING THESE RETURNS WERE IGNORANT OF THE DEDUCTIONS THEY COULD CLAIM. ALL RETURNS OF THIS VARIETY WERE IMPUTED A RATHER LARGE DOSE OF RATIONALITY IN SPITE OF THE FACT THAT IT IS PROBABLY NOT WARRANTED.

(14) SOME MARRIED FILING SEPERATE AND JOINT RETURNS TOOK THE PERCENTAGE STANDARD DEDUCTION WHEN IT WAS MORE ADVANTAGEOUS FOR THEM TO TAKE THE MINIMUM STANDARD DEDUCTION. IN THESE CASES, THE MINIMUM STANDARD DEDUCTION WAS EMPLOYED.

(15) THERE ARE A FEW RETURNS WHOSE TOTAL ITEMIZED DEDUCTIONS HAVE BEEN SUMMED INCORRECTLY. THESE WERE THE RESULT OF SMALL MATHEMATICAL ERRORS IN CALCULATION OF MEDICAL DEDUCTIONS AND WERE EASILY CORRECTED BY THE TAX MODEL PROGRAM.

(16) IN SPITE OF THE FACT THAT THERE IS A LINE ITEM (5) ON SCHEDULE A FOR THE BALANCE OF MEDICAL INSURANCE PREMIUMS, A LARGE NUMBER OF TAXPAYERS HAVE PERTINACIOUSLY REFUSED TO TAKE ADVANTAGE OF THIS ITEM AND HAVE LEFT LINE 5 BLANK. THE BALANCE OF MEDICAL INSURANCE PREMIUMS WAS RECONSTRUCTED FOR THESE RETURNS. ON THE AVERAGE, THE TAX LIABILITY OF THESE RETURNS WAS DECREASED BY A SMALL AMOUNT.

(17) SOME RETURNS ELECTED TO ITEMIZE WITH DETAIL RATHER THAN CHOOSE THE STANDARD DEDUCTION WHICH WOULD HAVE YIELDED A LOWER TAX LIABILITY. THIS MAY BE DUE TO THE PARTICULAR INDIVIDUAL ATTEMPTING TO MINIMIZE HIS OVERALL TAX LIABILITY, I.E. FEDERAL, STATE AND LOCAL. IN SOME SITUTATIONS, STATE OR LOCAL TAX TREATMENT OF DEDUCTIONS IS MORE LIBERAL THAN THE FEDERAL GOVERNMENTS BUT TO TAKE ADVANTAGE OF THESE MORE LIBERAL TREATMENTS, THE INDIVIDUAL MAY BE REQUIRED BY THE STATE OR LOCAL GOVERNMENT TO ITEMIZE ON HIS FEDERAL TAX RETURN. IF THESE PROVISIONS ARE SUFFICIENTLY LIBERAL, THE INDIVIDUAL CAN MINIMIZE HIS OVERALL TAX LIABILITY BY PAYING SOME FEDERAL TAX IN ORDER TO ITEMIZE AT THE STATE OR LOCAL LEVEL AND THEREBY SAVE MORE AT THE

STATE OR LOCAL LEVEL THAN HE PAID IN TAXES AT THE FEDERAL LEVEL. IN ADDITION, THERE ARE TWO SITUATIONS WHERE THE FEDERAL TAX CODE FORCES AN INDIVIDUAL TO ITEMIZE EVEN IF IT IS NOT TO HIS ADVANTAGE.

(A) AN INDIVIDUAL WHO IS MARRIED FILING SEPERATELY MUST ITEMIZE IF HIS SPOUSE ITEMIZES, AND

(B) A MINOR CHILD WITH UNEARNED INCOME MAY NOT USE THE MINIMUM STANDARD DEDUCTION AND THEREFORE, MUST USE THE PERCENTAGE STANDARD DEDUCTION OR ITEMIZE. THERE ARE 91 SAMPLE RETURNS OF THIS TYPE. ALLOWING THEM TO CHANGE TO THE STANDARD DEDUCTION WOULD LOSE 24 MILLION DOLLARS OF TAX REVENUE. SINCE THERE ARE VALID EXPLANANTIONS OF WHY THESE RETURNS ITEMIZED AND SINCE THE MAGNITUDE OF THE REVENUE LOSS IS SUBSTANTIAL, THESE RETURNS WERE RETAINED AS "PERMANENT" ITEMIZERS.

(18) SOME RETURNS ELECTED TO ITEMIZE WITHOUT DETAIL. THERE ARE 17 SAMPLE RETURNS OF THIS VARIETY IN THE 1975 TAX MODEL DATA BASE. THE 1975 TAX CALCULATOR WOULD AUTOMATICALLY CHANGE THESE RETURNS TO STANDARD DEDUCTORS WITH AN ACCOMPANYING 2 MILLION DOLLAR GAIN IN REVENUE. SINCE THESE RETURNS ARE ITEMIZERS AND SINCE THE REVENUE GAIN IS SUBSTANTIAL THESE RETURNS WERE RETAINED AS "PERMANENT" ITEMIZERS.

(19) RETURNS WHICH USED THE TAX TABLES TO CALCULATE THEIR TAX LIABILITY MAY HAVE A TAX LIABILITY CALCULATED BY THE TAX MODEL THAT DIFFERS BY AS MUCH AS PLUS OR MINUS $6. SINCE THE USE OF TAX TABLES IS AN IMPRATICAL COMPUTATIONAL METHOD OF DETERMINNING TAX LIABILITY, THE TAX CALCULATED BY THE MODEL'S TAX SCHEDULES WAS USED IN LIEU OF THE TAX APPEARING ON THE 1975 DATA BASE.

(20) SOME RETURNS WHICH USED THE TAX TABLES PERFORMED A 'TABLE-LOOK-UP' ERROR. THIS RESULTED IN THEIR 1975 TAX LIABILITY BEING DIFFERENT THAN THAT CALCULATED BY THE TAX MODEL. THE SIZE OF THE ERROR HERE IS USUALLY GREATER THAN $6. THESE ERRORS WERE CORRECTED BY THE TAX MODEL.

(21) LINE 31 ON FORM 1040, I.E. PENSIONS, ANNUITIES, RENTS, ROYALTIES, PARTNERSHIPS, ESTATES OR TRUSTS, ETC., DID NOT EQUAL THE SUM OF THE SAME COMPONENTS FROM SCHEDULE E. SUMMING THE COMPONENTS FROM SCHEDULE E ALWAYS PRODUCED THE CORRECT AGI, THEREFORE, LINE 31 WAS REPLACED WITH THIS SUM.

(22) THE MAXIMUM TAX REQUIRES THAT THE TAXPAYER OFFSET HIS EARNED TAXABLE INCOME WITH THE EXCESS OF THE LARGER OF HIS CURRENT YEAR PREFERENCES OR ONE-FIFTH OF HIS PREFERENCES OVER THE LAST 5 YEARS OVER $30,000. THE ONE-FIFTH OF PREFERENCES OVER THE LAST 5 YEARS WAS RECONSTRUCTED FROM THE DATA FOR THE 1975 SAMPLE.

(23) SOME RETURNS WERE LIBERAL IN ROUNDING THE RATIO OF ADJUSTED EARNED INCOME TO ADJUSTED GROSS INCOME. FOR HIGH INCOME RETURNS,

THIS ROUNDING COULD SAVE THE TAXPAYER AS MUCH AS $1000 IN TAXES. THE TAX MODEL'S RATIO, WHICH IS UNROUNDED WAS USED.

(24) THERE WERE ALSO SOME RETURNS THAT MADE MATHEMATICAL ERRORS IN CALCULATING TRE MAXIMUM - ALTERNATIVE TAX. THE TAX MODEL RESULTS WERE EMPLOYED.

(25) THERE WERE AT LEAST FOUR RETURNS WHERE THE MAXIMUM-ALTERNATIVE TAX ON LINE 34 OF FORM 4726 DID NOT AGREE WITH THE TAX ON LINE 16A OF FORM 1040. THE TWO TAXES ARE CONCEPTUALLY IDENTICAL AND SHOULD BE IDENTICAL IN THE DATA AS WELL. SINCE THE TAX MODEL REPRODUCED LINE 34 OF FORM 4726 EXACTLY, THIS FIGURE WAS USED FOR LINE 16A OF FORM 1040.

(26) SOME RETURNS DID NOT ELECT THE SAVINGS FROM THE ALTERNATIVE TAX. IN THESE CASES, THE TAX SAVINGS WERE SMALL. EVIDENTLY, AN $8 REDUCTION IN TAXES IS NOT WORTH THE EFFORT OF FILING AN ALTERNATIVE TAX WHEN YOUR AGI IS OVER $100,000. NEVER-THE-LESS, THE MODEL'S RESULTS WERE EMPLOYED.

(27) SOME RETURNS DID NOT CLAIM THE EARNED INCOME CREDIT ALTHOUGH THEY QUALIFIED. ON OTHER RETURNS, THE EARNED INCOME CREDIT WAS NOT CALCULATED CORRECTLY. IN BOTH CASES, THE TAX MODEL RESULTS WERE USED.

(28) ON A NUMBER OF RETURNS THERE EXISTS A MATHEMATICAL ERROR IN SUBTRACTING THE CREDITS FROM TAX BEFORE CREDITS. SINCE THE FINAL TAX CALCULATED BY THE MODEL AGREES WITH THE DIFFERENCE BETWEEN INCOME TAX WITHHELD AND AMOUNT OF OVERPAYMENT, THE TAX CALCULATED BY THE MODEL WAS USED.

APPENDIX C

C. COMPARISON OF THE 1975 MODEL & SOI.

TABLES 2.C.1, 2.C.2, AND 2.C.3 PRESENT A COMPARISON OF THE 1975 TAX MODEL WITH THE PRELIMINARY 1975 STATISTICS OF INCOME FOR ALL RETURNS, TAXABLE RETURNS, AND NON-TAXABLE RETURNS. THE PERCENT ERRORS FOR AGI, TAXABLE INCOME, AND TAX LIABILITY INCLUDING MINIMUM TAX ARE AS FOLLOWS:

	ALL RETURNS	TAXABLE RETURNS	NON-TAXABLE RETURNS
ADJUSTED GROSS INCOME	-0.19%	-.33%	+2.5%
TAXABLE INCOME	-0.12%	-0.17%	5.7%
TAX LIABILITY	-0.15%	-0.15%	0.0%

ALL RETURNS:

THE SOURCES OF INCOME TABULATED BY THE MODEL WERE WITHIN + OR - 2% OF THE 1975 SOI FIGURES EXCEPT FOR--

(A) FARM INCOME, -19.4%: THIS IS A NET FIGURE.

(B) RENT & ROYALTY INCOME, -4.4%: THIS IS A NET FIGURE.

(C) PARTNERSHIP & SUB. S INCOME, -6.5%: THIS IS ALSO A NET FIGURE.

(D) ESTATE & TRUSTS INCOME, +9.4%: THIS TOO IS A NET FIGURE.

(E) OTHER SOURCES OF INCOME, -3% .

THE VALUE OF EXEMPTIONS TABULATED BY THE TAX MODEL WERE WITHIN LESS THAN 1% OF THE 1975 SOI FIGURES EXCEPT FOR BLIND EXEMPTIONS WHICH WERE 11.8% HIGH.

ITEMIZED DEDUCTIONS AS TABULATED BY THE MODEL WERE ALL WITHIN LESS THAN + OR - 1% OF THE 1975 SOI FIGURES EXCEPT FOR MEDICAL(+2.3%), CASUALTY AND THEFT(+2.6%), AND MISCELLANEOUS(-9.4%).

TAXABLE RETURNS:

THE RESULTS FOR TAXABLE RETURNS ARE, IN GENERAL, BETTER THAN THE RESULTS FOR ALL RETURNS. FARM INCOME IS ONLY 9.7% LOW AND PARTNERSHIP & SUB. S INCOME IS ONLY 1.7% LOW . RENT & ROYALTY INCOME (-2.5%) AND ESTATES & TRUSTS INCOME (+6.7%) ALSO HAVE SMALLER PERCENTAGE ERRORS THAN BEFORE. ONE ODDITY IS THAT OTHER SOURCES OF INCOME IS 37.5% LOW, IE. 1.3 BILLION DOLLARS. THIS IS

DUE TO PART TO THE FACT THAT ACCORDING TO THE 1975 PRELIMINARY SOI--TAXABLE RETURNS SHOW AN OTHER INCOME THAT IS 3 TIMES AS LARGE AS THE OTHER LOSS ON NON-TAXABLE RETURNS. THIS TREND IS NOT EXHIBITED IN THE DATA OBTAINED FROM THE SOI.

ITEMIZED DEDUCTIONS WERE ALL WITHIN LESS THAN + OR - 1% OF THE 1975 SOI FIGURES EXCEPT FOR CASUALTY AND THEFT (+2.8%), WHICH IS SOMEWHAT WORST, AND MISCELLANEOUS (-9.2%) WHICH IS SOMEWHAT BETTER. MEDICAL DEDUCTIONS IMPROVED DRASTICALLY BY DROPPING FROM +2.3% TO +.73%.

NON-TAXABLE RETURNS:

THE RESULTS FOR NON-TAXABLE RETURNS DIFFER DRASTICALLY FROM THE RESULTS FOR ALL RETURNS. NONE OF THE PERCENTAGE ERRORS WERE WITHIN + OR - 2% OF THE CORRESPONDING SOI FIGURES. THE PERCENTAGE ERRORS ARE AS FOLLOWS:

(A) WAGES AND SALARIES, +5.3%.

(B) INTEREST, +9.9%.

(C) NON-FARM INCOME, -23%: THIS IS A NET FIGURE.

(D) FARM INCOME, -19%: PROBABLY THE TCMP SAMPLING SCHEME.

(E) RENT & ROYALTY INCOME, +258%: THIS IS A NET FIGURE.

(F) PARTNERSHIP & SUB. S INCOME, -25%: THIS IS A NET FIGURE.

(G) ESTATES & TRUSTS INCOME, +57%: THIS IS A NET FIGURE.

(H) ALL OTHER INCOME, -114%.

THE STANDARD DEDUCTIONS TABULATED BY THE TAX MODEL WERE 6.8% LARGER THAN THE SOI FIGURES. HOWEVER, THE TAX MODEL CALCULATES A STANDARD DEDUCTION FOR "NO AGI" RETURNS EVEN THOUGH THE SOI DOES NOT.

THE PERCENTAGE ERRORS FOR ITEMIZED DEDUCTIONS WERE ALL LESS THAN 2% EXCEPT FOR--

(A) TAX EXPENSE, -3.5%.

(B) MEDICAL DEDUCTIONS, +9.5%.

(C) MISCELLANEOUS DEDUCTIONS, -12.5%.

ANALYSIS OF THE NET PROFIT OR LOSS FIGURES:

DUE TO THE SIZEABLE PERCENTAGE ERRORS ON SOME OF THE NET PROFIT OR LOSS ITEMS, AN ATTEMPT WAS MADE TO TO COMPARE THE PROFIT AND LOSS FIGURES GENERATED BY THE TAX MODEL WITH THOSE PRESENTED IN THE PRELIMINARY 1975 STATISTICS OF INCOME. THIS COMPARISON IS PRESENTED IN TABLE 2.C.4. UNFORTUNATELY, THE PRELIMINARY 1975 SOI LACKS MORE THAN HALF OF THE PROFIT AND LOSS ITEMS THAT ARE NEEDED FOR THIS COMPARISON.

NON-FARM BUSINESS INCOME.

ALTHOUGH NET NON-FARM INCOME WAS 2.3% LOW FOR ALL RETURNS, TABLE 2.C.4 SHOWS THAT THE TAX MODEL IS 1.6% LOW ON PROFITS AND 3.9% HIGH ON LOSSES. TAXABLE RETURNS HAD A NET NON-FARM INCOME THAT WAS 1.6% LOW, HOWEVER, THE PROFIT AND LOSS FIGURES ARE 1.3% LOW AND 3.4% HIGH. NON-TAXABLE RETURNS FARE MUCH BETTER. NET NON-FARM INCOME OF NON-TAXABLE RETURNS WAS 23% LOW BUT THE PROFIT AND LOSS FIGURES ARE 4.9% LOW AND 4.3% HIGH RESPECTIVELY.

FARM INCOME.

FARM INCOME SHOWS SOME IMPROVEMENT WHEN THE PROFIT AND LOSS FIGURES ARE EXAMINED. THE NET FARM INCOME OF ALL RETURNS WAS 19.4% LOW. THE CORRESPONDING PROFIT AND LOSS FIGURES WERE 5.6% LOW AND 3.2% HIGH. TAXABLE RETURNS HAD A NET FARM INCOME THAT WAS 9.7% LOW, HOWEVER, THE PROFIT AND LOSS FIGURES ARE 6% LOW AND .3% LOW. NON-TAXABLE RETURNS HAD A NET FARM INCOME THAT WAS 19% LOW. THE PROFIT AND LOSS FIGURES WERE 3.4% LOW AND 6.8% HIGH. IN GENERAL, FARM LOSSES ARE CONSISTENTLY OVERSTATED ON THE TAX MODEL, WHILE FARM PROFITS ARE CONSISTENTLY UNDERSTATED ON THE TAX MODEL.

SUMMATION.

ALTHOUGH THE TAX MODEL YIELDS ACCEPTABLE RESULTS FOR AGI, MOST DEDUCTIONS, TAXABLE INCOME, AND TAX LIABILITY, THE PERCENTAGE ERRORS FOR THE NET INCOME FIGURES SEEM LARGER THAN ONE WOULD EXPECT. AT THIS TIME, IT IS NOT KNOWN WHETHER THIS IS A RESULT OF OTA'S SAMPLING TECHNIQUE, A PECULIARITY OF THE 1975 DATA BASE SUPPLIED BY IRS, OR THE TENATIVE NATURE OF THE PRELIMINARY 1975 SOI FIGURES.

TABLE 2.C.1: COMPARISON OF THE 1975 TAX MODEL WITH THE PRELIMINARY 1975 SOI, ALL RETURNS

ITEM	MODEL	SOI	DIFF
NUMBER OF RETURNS	82,221	82,177	+44
ITEMIZED	25,954	26,056	-102
STANDARD	56,267	56,121C	+146
SOURCES OF INCOME			
WAGES & SALARIES	795,488	795,213	+275
DIVIDENDS B.E.	23,453	21,988*	N.A.
INTEREST	43,585	43,322	+263
NON-FARM INCOME	38,574	39,501	-927
FARM INCOME	2,898	3,670	-709
RENT & ROYALTY	5,034	5,268	-234
PARTNERSHIP & SUB. S	12,297	13,148	-851
CAPITAL GAINS B.C.	29,226	N.A.	N.A.
ESTATES & TRUSTS	2,780	2,542	+238
PENSIONS & ANNUITIES	21,274	20,874*	+400
ALL OTHER SOURCES	2,265	2,337	-72
ADJUSTMENTS TO INCOME	14,935	15,082	-147
ADJUSTED GROSS INCOME	946,329	948,094	-1,765
EXEMPTIONS, TOTAL	160,166	158,941	+1,216
TAXPAYER	94,642	94,862C	-220
AGED	7,526	7,451C	+75
BLIND	181	160C	+19
OTHER	55,817	56,477C	-660
STANDARD DEDUCTIONS	102,555	100,922	+1,633
ITEMIZED DEDUCTIONS	122,095	121,878	+217
CHARITABLE CONTRIBUTIONS	15,382	15,426	-44
INTEREST PAID	38,713	38,622	+91
TAX EXPENSE	43,924	44,110	-186
MEDICAL DEDUCTIONS	11,685	11,414	+271
CASUALTY OR THEFT	1,241	1,209	+32
OTHER MISC DEDUCTIONS	11,150	12,307	-1,157
TAXABLE INCOME	594,901	595,626	-725
INCOME TAX AFTER CREDITS	124,576	124,758	-182

TABLE 2.C.2: COMPARISON OF THE 1975 TAX MODEL WITH THE PRELIMINARY 1975 SOI, TAXABLE RETURNS

ITEM	MODEL	SOI	DIFF
NUMBER OF RETURNS	61,220	61,753	-533
ITEMIZED	24,388	24,539	-151
STANDARD	36,833	37,214C	-381
SOURCES OF INCOME			
WAGES & SALARIES	749,250	751,327	-2,077
DIVIDENDS B.E.	22,031	20,736*	N.A.
INTEREST	38,484	38,682	-198
NON-FARM INCOME	37,530	38,145	-615
FARM INCOME	4,613	5,111	-498
RENT & ROYALTY	5,088	5,223	-135
PARTNERSHIP & SUB. S	15,195	15,462	-267
CAPITAL GAINS B.C.	24,250	N.A.	N.A.
ESTATES & TRUSTS	2,570	2,408	+162
PENSIONS & ANNUITIES	18,861	18,649*	+212
ALL OTHER SOURCES	2,116	3,388	-1,272
ADJUSTMENTS TO INCOME	13,201	13,440	-239
ADJUSTED GROSS INCOME	896,748	899,723	-2,975
EXEMPTIONS, TOTAL	122,643	124,367	-1,724
TAXPAYER	73,635	N.A.	N.A.
AGED	4,998	N.A.	N.A.
BLIND	108	N.A.	N.A.
OTHER	43,902	N.A.	N.A.
STANDARD DEDUCTIONS	70,008	70,467	-459
ITEMIZED DEDUCTIONS	114,216	114,207	+9
CHARITABLE CONTRIBUTIONS	14,727	14,768	-41
INTEREST PAID	36,242	36,113	+129
TAX EXPENSE	42,404	42,534	-130
MEDICAL DEDUCTIONS	9,343	9,275	+68
CASUALTY OR THEFT	1,043	1,014	+29
OTHER MISC DEDUCTIONS	10,457	11,517	-1,060
TAXABLE INCOME	589,923	590,918	-995
INCOME TAX AFTER CREDITS	124,576	124,758	-182

TABLE 2.C.3: COMPARISON OF THE 1975 TAX MODEL WITH THE PRELIMINARY 1975 SOI, NON-TAXABLE RETURNS

ITEM	MODEL	SOI	DIFF
NUMBER OF RETURNS	21,000	20,424	+576
ITEMIZED	1,565	1,517	+48
STANDARD	19,434	18,907C	+527
SOURCES OF INCOME			
WAGES & SALARIES	46,239	43,886	+2,353
DIVIDENDS B.E.	1,421	1,251*	N.A.
INTEREST	5,100	4,640	+460
NON-FARM INCOME	1,044	1,356	-312
FARM INCOME	-1,716	-1,440	-276
RENT & ROYALTY	-54	34	+88
PARTNERSHIP & SUB. S	-2,898	-2,314	-584
CAPITAL GAINS B.C.	1,976	N.A.	N.A.
ESTATES & TRUSTS	210	134	+76
PENSIONS & ANNUITIES	2,413	2,225*	+188
ALL OTHER SOURCES	149	-1,051	-1200
ADJUSTMENTS TO INCOME	1,734	1,641	+93
ADJUSTED GROSS INCOME	49,582	48,371	+1,211
EXEMPTIONS, TOTAL	35,524	24,856	-10,668
TAXPAYER	21,007	N.A.	N.A.
AGED	2,528	N.A.	N.A.
BLIND	74	N.A.	N.A.
OTHER	11,915	N.A.	N.A.
STANDARD DEDUCTIONS	32,547	30,455	+2,092
ITEMIZED DEDUCTIONS	7,878	7,868	+10
CHARITABLE CONTRIBUTIONS	656	658	-2
INTEREST PAID	2,470	2,509	-39
TAX EXPENSE	1,521	1,576	-55
MEDICAL DEDUCTIONS	2,342	2,138	+204
CASUALTY OR THEFT	197	196	-1
OTHER MISC DEDUCTIONS	692	791	-99
TAXABLE INCOME	4,978	4,708	+270
INCOME TAX AFTER CREDITS	0	0	0

TABLE 2.C.4: COMPARISON OF THE 1975 TAX MODEL NET INCOME ITEMS WITH THE PRELIMINARY 1975 SOI NET NET INCOME ITEMS FOR ALL, TAXABLE, AND NON-TAXABLE RETURNS.

	TAX MODEL		SOI		DIFFERENCE	
	PROFIT	LOSS	PROFIT	LOSS	PROFIT	LOSS
ALL RETURNS:						
BUSINESS	44,010	5,436	44,733	5,231	-723	+205
FARM	9,540	6,641	10,103	6,433	-563	+208
PARTNERSHIP	17,635	7,576	N.A.	N.A.	N.A.	N.A.
SUBCHAPTER S	3,923	1,684	N.A.	N.A.	N.A.	N.A.
RENT	8,057	4,696	7,976	4,497	+81	+199
ROYALTY	1,726	54	N.A.	N.A.	N.A.	N.A.
ESTATE & TRUSTS	2,922	143	N.A.	N.A.	N.A.	N.A.
TAXABLE RETURNS:						
BUSINESS	40,221	2,691	40,748	2,602	-527	+89
FARM	7,850	3,236	8,355	3,245	-505	-9
PARTNERSHIP	16,975	4,730	N.A.	N.A.	N.A.	N.A.
SUBCHAPTER S	3,693	743	N.A.	N.A.	N.A.	N.A.
RENT	7,038	3,496	7,022	3,476	+16	+20
ROYALTY	1,599	52	N.A.	N.A.	N.A.	N.A.
ESTATE & TRUSTS	2,681	111	N.A.	N.A.	N.A.	N.A.
NON-TAXABLE RETURNS:						
BUSINESS	3,788	2,744	3,985	2,629	-197	+115
FARM	1,689	3,404	1,748	3,188	-59	+216
PARTNERSHIP	660	2,845	N.A.	N.A.	N.A.	N.A.
SUBCHAPTER S	230	941	N.A.	N.A.	N.A.	N.A.
RENT	1020	1,199	954	1,022	+66	+177
ROYALTY	127	1	N.A.	N.A.	N.A.	N.A.
ESTATE & TRUSTS	241	32	N.A.	N.A.	N.A.	N.A.

NOTE: N.A. = NOT AVAILABLE
* = AFTER EXCLUSION
● = TAXABLE PORTION ONLY
C = COMPUTED

3. EXTRAPOLATION OF THE INCOME TAX DATA.

3.1. EXTRAPOLATION OF THE DATA BASE TO 1978 LEVELS

THE TREASURY INDIVIDUAL INCOME TAX MODEL USES A FILE OF 50,000 TAX RETURNS FOR THE LIABILITY YEAR 1975. THE RETURNS ARE DRAWN FROM THE LARGER 'STATISTICS OF INCOME' FILE, WHICH IS ITSELF A STRATIFIED SAMPLE BASED ON VARIOUS INCOME, GEOGRAPHICAL, AND OTHER CLASSIFICATIONS. AS A RESULT, THE 50,000 RETURNS IN THE TREASURY MODEL HAVE VARYING SAMPLE WEIGHTS, MOST OF WHICH ARE NOT INTEGERS, AND WHICH RANGE FROM 1 TO ABOUT 30,000. WITH THESE WEIGHTS,THE SAMPLE REFLECTS A 1975 POPULATION OF 82.221 MILLION RETURNS, WITH A TOTAL ADJUSTED INCOME OF $946.348 BILLION.

THIS SECTION DESCRIBES THE PROCESS BY WHICH TREASURY CREATED, FROM THE 1975 FILE, A SIMILAR FILE REFLECTING 1978 LEVELS OF INCOME AND 1978 LAW. SINCE MAY 1978, THE 1978 FILE HAS PROVIDED THE DATA FOR MOST OF OUR ROUTINE USES OF THE TAX MODEL.

THE PROCESS WAS ESSENTIALLY THE SAME AS THAT USED TO PRODUCE THE 1976 AND 1977 TAX MODEL FILES.

3.1.1. TARGETS

FOR THE LIABILITY YEAR 1978, WE EXPECT 88.5 MILLION RETURNS WITH TOTAL ADJUSTED GROSS INCOME OF $1,250 BILLION. THE 1978 FILE REFLECTS THESE ESTIMATES. WE HAVE ALSO DEVELOPED PROJECTIONS OF SEVERAL SOURCES OF INCOME AND OTHER AGGREGATES, WHICH ARE ALSO REFLECTED IN THE 1978 FILE. THESE ESTIMATES ARE CALLED 'TARGETS.' THERE ARE 11 OF THEM AND THEY ARE LISTED IN TABLE 3.1.1.

THE TARGETS WERE DEVELOPED BY MEMBERS OF THE REVENUE ESTIMATING STAFF IN THE OFFICE OF TAX ANALYSIS. THE TARGETS WERE DEVELOPED MAINLY BY TIME SERIES TECHNIQUES, INCLUDING REGRESSIONS OF 'STATISTICS OF INCOME' DATA AGAINST NATIONAL INCOME ACCOUNTS, AND WERE INTENDED TO BE CONSISTENT WITH THE SHORT-RANGE ECONOMIC FORECASTS UNDERLYING THE FEDERAL BUDGET FOR FISCAL 1979. THE TARGETS WERE NOT ESPECIALLY SENSITIVE TO THE CHOICE OF ECONOMIC FORECASTS USED SINCE ONLY A FEW MONTHS OF PROJECTIONS WERE REQUIRED.

IN CHOOSING THE ITEMS FOR WHICH TARGETS WERE NEEDED, WE RELIED ON INTUITION AND EXPERIENCE. OUR FIRST RULE WAS THAT AN ITEM SHOULD NOT BE TARGETED UNLESS OUR TIME SERIES TECHNIQUES SEEMED LIKELY TO

TABLE 3.1.1
TARGETS USED IN EXTRAPOLATING THE TAX MODEL TO 1978 LEVELS*

NUMBER OF TARGET	TAX MODEL VARIABLE NO. (IF ANY)	DESCRIPTION	TARGET (MILLIONS, MILLIONS $)
1		NUMBER OF SINGLE RETURNS	35.5
2		NUMBER OF JOINT RETURNS	45.0
3		NUMBER OF MARRIED-SEPARATE OR SURVIVING-SPOUSE RETURNS	2.0
4		NUMBER OF HEAD-OF-HOUSEHOLD RETURNS	6.0
5		NUMBER OF TAXPAYER AND DEPENDENT EXEMPTIONS	209.0
6		NUMBER OF AGED AND BLIND EXEMPTIONS	11.3
7	14	ADJUSTED GROSS INCOME (LESS DEFICIT)	1,250,000
8	28+29	PENSIONS IN ADJUSTED GROSS INCOME	36,000
9	55	NET CAPITAL GAINS IN ADJUSTED GROSS INCOME	20,223
10	82	INVESTMENT CREDIT	2625.0
11	170	EARNED INCOME CREDIT	1106.0

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GIVE A BETTER PROJECTION THAN THE FIRST-STAGE EXTRAPOLATION DESCRIBED BELOW. IN OTHER WORDS, WE SHOULD KNOW MORE THAN THE COMPUTER. ON THIS PRINCIPLE, FOR EXAMPLE, WE DID NOT TARGET ANY ITEMIZED DEDUCTIONS.

MORE TARGETS MIGHT HAVE BEEN DESIRABLE, POSSIBLY INVOLVING FARM INCOME, PREFERENCES, OR NUMBER OF TWO-EARNER FAMILIES.

3.1.2. FIRST-STAGE EXTRAPOLATION

THE FIRST STEP IN THE EXTRAPOLATION PROCESS WAS DESIGNED TO REACH THE TARGETS FOR NUMBER OF RETURNS BY FILING STATUS, AND TOTAL ADJUSTED GROSS INCOME. THIS CONSISTED OF SIMPLY MULTIPLYING THE SAMPLE WEIGHT OF EACH RETURN BY A FACTOR BASED ON FILING STATUS AND MULTIPLYING EVERY DOLLAR AMOUNT ON EACH RETURN BY A SECOND FACTOR WHICH WAS THE SAME FOR ALL RETURNS. THE WEIGHT FACTORS WERE CHOSEN TO REACH TARGETS FOR NUMBER OF RETURNS BY FILING STATUS, AND ONCE THESE FACTORS WERE KNOWN, THE DOLLAR-AMOUNT FACTOR WAS CHOSEN TO REACH THE TARGET FOR TOTAL ADJ. GROSS INCOME. THE FACTORS WERE:

WEIGHT FACTORS:	
SINGLE	1.1313
JOINT	1.0271
MFS AND SS	1.0000
HEAD OF HOUSEHOLD	1.1921
DOLLAR-AMOUNT:	
FACTOR	1.2534

THESE CHANGES NOT ONLY ACHIEVED THE FIRST FEW TARGETS, BUT ALSO BROUGHT ALL OTHER AGGREGATES INTO A MORE PLAUSIBLE RANGE, SO THAT THERE WOULD BE LESS STRAIN ON THE SECOND STAGE OF THE EXTRAPOLATION PROCESS.

THIS VERSION OF THE FIRST-STAGE REPRESENTS AN IMPROVEMENT OVER THE 1976 METHOD. IN 1976, A SINGLE WEIGHT FACTOR WAS USED FOR ALL FILING STATUSES, AND ONLY THE TOTAL NUMBER-OF-RETURNS TARGET WAS HIT AT THIS STAGE.

NEXT, THE TAX MODEL RECALCULATED ALL THOSE ITEMS ON THE RETURNS THAT CAN BE CALCULATED: THAT IS, MAINLY, TAX. TAX WAS COMPUTED UNDER 1978 LAW AS OF MAY 1978.

RECALCULATING TAX INVOLVES A TRAP: SOME RETURNS WHICH USED THE STANDARD DEDUCTION IN THE 1975 FILE USE ITEMIZED DEDUCTIONS IN THE 1978 FILE. FOR THESE RETURNS, THE EXTRAPOLATION RELIES HEAVILY ON

THE IMPUTATION OF ITEMIZED DEDUCTIONS TO STANDARD-DEDUCTION RETURNS, WHICH IS DOCUMENTED IN CHAPTER 4.

TO SIMPLIFY THE REST OF THIS TASK, ALL OF THE RESULTS OF THE FIRST STAGE OF THE EXTRAPOLATION WERE INCORPORATED IN AN INTERMEDIATE FILE. THERE ARE NO DIFFERENCES BETWEEN THIS FILE AND THE FINAL 1978 FILE EXCEPT IN THE SAMPLE WEIGHTS.

3.1.3. THE SECOND STAGE

THE PURPOSE OF THE SECOND STAGE OF THE EXTRAPOLATION WAS TO CHANGE THE SAMPLE WEIGHTS IN THE PRESAMPLE IN SUCH A WAY AS TO REACH ALL OF THE TARGETS IN TABLE 3.1.1. THIS IS CERTAINLY POSSIBLE, SINCE IT AMOUNTS TO SOLVING 11 LINEAR EQUATIONS IN 50,000 VARIABLES. ALL THAT IS REQUIRED IS TO FIND A CRITERION BY WHICH TO CHOOSE ONE OF THE MANY SOLUTIONS.

OUR CRITERION IS STATED IN TERMS OF AN OBJECTIVE FUNCTION, WHOSE ARGUMENTS INCLUDE THE NEW SAMPLE WEIGHTS. SIMPLY STATED, IT IS DESIRABLE TO SELECT THE NEW WEIGHTS IN SUCH A WAY AS TO HIT THE TARGETS, AND MINIMIZE THE OBJECTIVE FUNCTION.

OUR OBJECTIVE FUNCTION IS BASED ON AN ARBITRARY MEASURE OF THE DISTORTION CAUSED BY CHANGING THE WEIGHT ON ANY RETURN. THIS DEPENDS ON THE RATIO OF THE NEW WEIGHT TO THE OLD WEIGHT: IF THE RATIO IS CLOSE TO 1.0, THERE IS NOT MUCH DISTORTION IF THE RATIO IS CLOSER TO ZERO OR EXTREMELY LARGE, THE DISTORTION IS LARGE. AS THE RATIO APPROACHES ZERO, THE DISTORTION APPROACHES INFINITY. IF X REPRESENTS THE RATIO OF NEW TO OLD WEIGHT FOR A PARTICULAR RETURN, WE WILL USE PHI(X) TO REPRESENT THE ASSOCIATED DISTORTION (BY OUR ARBITRARY MEASURE).

THE COMPLETE OBJECTIVE FUNCTION IS OBTAINED BY CALCULATING THE DISTORTION PHI(X) FOR EACH SAMPLE RETURN AND TAKING THE SUM, WEIGHTING BY THE ORIGINAL WEIGHTS.

FOR THE DISTORTION FUNCTION PHI, WE HAVE CHOSEN THE FOLLOWING:

(3.1.1) $PHI(X) = X^{4} + X^{-4} - 2$

THIS CHOICE IS ARBITRARY AND CAN ONLY BE JUSTIFIED BY THE RESULTS AND BY THESE DESIRABLE FEATURES:

(3.1.2) $PHI(1) = 0$

SO THERE IS NO DISTORTION WHEN THE WEIGHT IS NOT CHANGED.

$$(3.1.3) \quad \lim_{X \to 0} PHI(X) = \lim_{X \to +INF} PHI(X) = +INF$$

SO WEIGHTS TOO FAR FROM 1 ARE NOT TOLERATED.

$$(3.1.4) \quad PHI(X) = PHI(1/X)$$

SO, FOR EXAMPLE, IT IS AS DISTORTING TO MULTIPLY A WEIGHT BY 4 AS TO DIVIDE IT BY 4.

ANY FUNCTION HAVING THESE PROPERTIES MUST BE OF THE FORM:

$$(3.1.5) \quad \sum_{I=1}^{+INF} B_I \left(X^{I} + X^{-I} - 2 \right)$$

IT WAS DECIDED TO CHOOSE B(4)=1 AND ALL OTHER B(I)=0. THE GRAPH OF PHI IS SHOWN IN FIGURE 3.1.1.

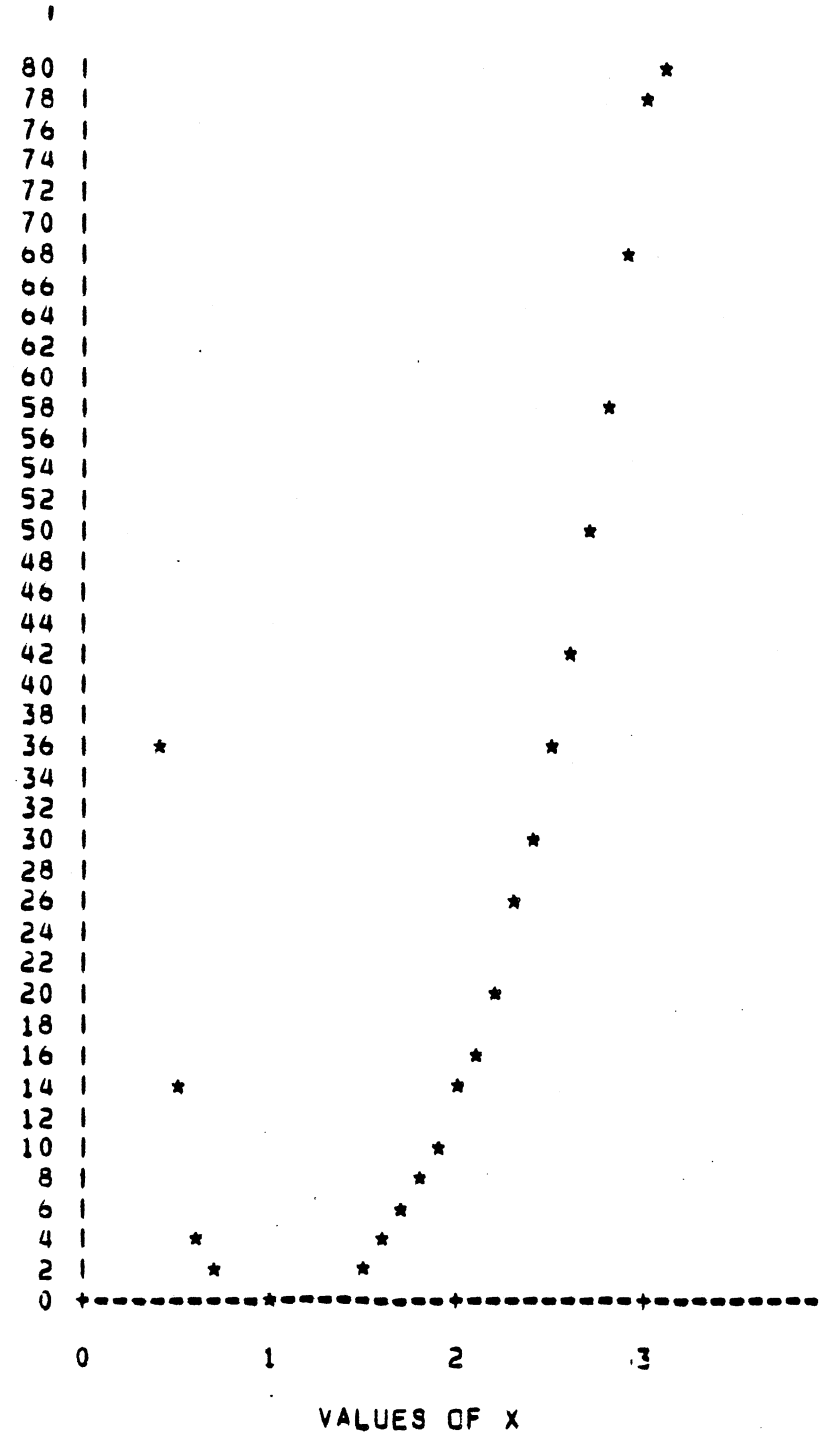

FIG. 3.1.1 GRAPH OF PHI(X)

3.1.4. RESULTS OF THE EXTRAPOLATION

ALL OF THE TARGETS WERE ACHIEVED IN STAGE II WITH A TOTAL VALUE FOR THE OBJECTIVE FUNCTION OF 6,400,000., THE LOWEST POSSIBLE. THIS IS AN AVERAGE DISTORTION OF 0.072 PER POPULATION RETURN. THIS IS THE AMOUNT OF DISTORTION CAUSED BY MULTIPLYING (OR DIVIDING) A SAMPLE WEIGHT BY 1.069.

SOME OF THE WEIGHT CHANGES, HOWEVER, WERE EXTREME. THE GREATEST RATIO OF NEW TO OLD WEIGHT WAS 6.53, THE SMALLEST, 0.57. TABLE 3.1.2 SHOWS THE DISTRIBUTION OF SAMPLE RETURNS, AND POPULATION RETURNS, BY THIS RATIO.

INCREASING THE EXPONENT (THAT IS, THE POWER 4) IN OUR OBJECTIVE FUNCTION WOULD HAVE FORCED THE EXTREME VALVES CLOSER TO 1, WITH, OF COURSE, SLIGHTLY MORE DISTORTION AMONG THE LESS EXTREME RETURNS. DECREASING THE EXPONENT WOULD HAVE ALLOWED THE EXTREME VALUES TO BE MORE EXTREME. WHEN THE EXPONENT 2 WAS USED IN A TRIAL RUN, THE LARGEST FACTOR BY WHICH A WEIGHT WAS INCREASED WAS ABOUT 30.

TABLE 3.1.2
RESULTS OF STAGE II:
DISTRIBUTION OF RETURNS BY RATIO OF NEW TO OLD WEIGHTS
FOR 1978

RATIO TO NEW WEIGHT TO OLD WEIGHT	NUMBER OF SAMPLE RETURNS	WEIGHTED RETURNS	
		USING OLD WEIGHTS	USING NEW WEIGHTS
LESS THAN .25	0	0	0
.25 - .5	0	0	0
.5 - .7	1	.002	.001
.7 - .8	3	.19	.145
.8 - .9	652	901	795
.9 - 1.0	33,641	65,661	64,252
1.0 - 1.1	11,276	16,689	17,026
1.1 - 1.2	1,547	2,750	3,157
1.2 - 1.3	875	1,628	2,025
1.3 - 1.5	832	656	895
1.5 - 1.8	529	170	273
1.8 - 2.0	186	23	43
2.0 - 4.0	432	13	28
4.0 AND ABOVE	26	0.06	0.29
TOTAL	50,000	88,500	88,500

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3.1.5. POST-ADJUSTMENTS.

AN ANALYSIS OF THE EXTRAPOLATED SAMPLE REVEALED THAT CERTAIN DATA ITEMS DID NOT CORRESPOND TO OUR NORMATIVE PRE-CONCEPTIONS OF WHAT ONE WOULD EXPECT THESE DATA ITEMS TO BE IN 1978. SINCE IT WAS NOT POSSIBLE TO ACHIEVE THESE LEVELS BY TARGETING THEM, THEY WERE ADJUSTED AFTER-THE-FACT. THE FOLLOWING SUMMARIZES THESE ADJUSTMENTS:

3.1.5.1. TAX EXPENSE DEDUCTIONS.

(A) STATE & LOCAL GAS TAX EXPENSE WAS LOWERED BY 5%.
(B) GENERAL SALES TAX EXPENSE WAS LOWERED BY 6%.
(C) PERSONAL PROPERTY TAX EXPENSE WAS LOWERED BY 20%.
(D) OTHER TAX EXPENSE WAS LOWERED BY 20%.

3.1.5.2. MEDICAL EXPENSE DEDUCTION.

(A) FOR ALL ITEMIZED RETURNS WITH ADJUSTED GROSS INCOME GREATER THAN ZERO.
(B) IF THE RATIO OF MEDICINE & DRUGS PLUS MEDICAL & DENTAL TO AGI IS LESS THAN 10%, DECREASE BOTH MEDICINE & DRUGS AND MEDICAL & DENTAL BY 10%; OTHERWISE INCREASE BOTH BY 3.5%.

3.1.5.3. CORRECT IMPUTED ITEMIZED DEDUCTIONS.

(A) FOR STANDARD DEDUCTION RETURNS ONLY.
(B) FOR RETURNS WITH TOTAL CHARITABLE LESS THAN $550.
(C) INCREASE THE IMPUTED CHARITABLE CONTRIBUTIONS EXPENSE BY 43%.
(D) DECREASE ALL OTHER IMPUTED ITEMIZED DEDUCIIONS BY THEIR PRO-RATA SHARE OF THE TOTAL SC AS TO MAKE UP THE 43% INCREASE IN CHARITABLE CONTRIBUTIONS.

APPENDIX A

A. MATHEMATICS OF STAGE II FOR 1978.

THE PROBLEM IN STAGE II IS TO ASSIGN NEW WEIGHTS TO RETURNS SO AS TO REACH THE GIVEN TARGETS, WHILE MINIMIZING THE VALUE OF A GIVEN OBJECTIVE FUNCTION.

LET THE TARGETS BE REPRESENTED BY T(J) (J=1,...,N), WHERE N IS THE NUMBER OF TARGETS. FOR EACH I-TH RETURN, LET W(I) BE THE ORIGINAL SAMPLE WEIGHT LET S(I,J) BE THE AMOUNT OF THE J-TH TARGETED ITEM ON THE I-TH RETURN AND LET (X(I)*W(I)) BE THE NEW WEIGHT. THUS X IS THE RATIO OF THE NEW WEIGHT TO THE OLD WEIGHT.

OUR PROBLEM IS, THEN TO MINIMIZE, BY CHOICE OF THE X(I)'S, THE OBJECTIVE FUNCTION

$$(3.A.1) \quad \sum_{I} W(I)*PHI(X(I))$$

SUBJECT TO THE CONSTRAINTS

$$(3.A.2) \quad \sum_{I} X(I)*W(I)*S(I,J) = T(J)$$

FOR EACH TARGET T(J) (J=1,...,N).

THIS IS ACHIEVED BY INTRODUCING LAGRANGE MULTIPLIERS LAMBDA(J) (J=1,...,N) AND SEEKING AN EXTREMUM FOR THE LAGRANGIAN

$$(3.A.3) \quad P = \sum_{I} W(I)*PHI(X(I)) - \sum_{J} LAMBDA(J)*(Z)$$

$$\text{WHERE } Z = \sum_{I} X(I)*W(I)*S(I,J)-T(J)$$

THE PARTIAL DERIVATIVES OF P ARE:

$$(3.A.4)\quad \&P/\&LABMDA(J) = \sum_{I} X(I)*W(I)*S(I,J)-T(J) \quad \text{(FOR EACH J)}$$

$$(3.A.5)\quad \&P/\&X(I) = W(I)*PJI'(X(I))-\sum_{J} LAMBDA(J)*W(I)*S(I,J)$$

$$(3.A.6)\quad \&P/\&X(I) = W(I)*(PHI'(X(I)) - \sum_{J} LAMBDA(J)*S(I,J))$$

(FOR EACH J). NOTE THE '&' IS A SUBSTITUTE FOR THE PARTIAL DERIVATIVE SIGN.

SETTING THESE EQUAL TO ZERO GIVES A SET OF SIMULATANEOUS NONLINEAR EQUATIONS -- ONE FOR EACH TARGET AND ONE FOR EACH RETURN -- WHICH WE CAN SOLVE FOR THE X(I)'S AND LAMBDA(J)'S.

THE FIRST STEP IN THE SOLUTION IS TO USE THE GROUP OF EQUATIONS LABELED (2) TO EXPRESS THE X(I)'S IN TERMS OF THE LAMBDA(J)'S. FOR EACH I:

$$(3.A.6)\quad \&P/\&X(I) = W(I)*(PHI'(X(I)) - \sum_{J}{}' (LAMBDA(J)*S(I,J))$$

SETTING THE PARTIAL EQUAL TO ZERO IMPLIES:

$$(3.A.7)\quad PHI'(X(I)) - \sum_{J} LAMBDA(J)*S(I,J) = 0$$

$$(3.A.8)\quad X(I) = (PHI')^{-1} *(\sum_{J} LAMBDA(J)*S(I,J))$$

IF WE SET THE PARTIALS IN EQUATIONS (3.A.4) EQUAL TO ZERO AND SUBSTITUTE THE ABOVE VALUES FOR THE X(I)'S, WE GET:

$$(3.A.9)\quad \sum_{I} \left[(PHI')^{-1} * \left(\sum_{J} LAMBDA(J)*S(I,J) \right) * W(I)*S(I,J) \right] =$$

$$T(J) = 0 \quad (FOR\ EACH\ J)$$

THIS IS A SET OF N EQUATIONS WHICH WE CAN SOLVE FOR LAMBDA(J) (J=1,...,N). THEN, WE CAN DETERMINE THE X(I)'S FROM EQUATIONS (3.A.8).

THIS MUCH OF THE THEORY WOULD APPLY, WHATEVER OUR CHOICE FOR THE DISTORTION FUNCTION, PHI. UNFORTUNATELY THE SYSTEM (3.A.9) IS, IN GENERAL, NONLINEAR AND CANNOT BE SOLVED EXPLICITLY. FOR OUR PARTICULAR CHOICE OF PHI, THE SYSTEM CANNOT EVEN BE WRITTEN EXPLICITLY, SINCE (PHI') INVERSE CANNOT BE EXPRESSED IN TERMS OF SIMPLE FUNCTIONS.

STILL, WE HAVE WRITTEN AND APPLIED A FAIRLY GENERAL ALGORITHM FOR COMPUTER SOLUTION OF THE SYSTEM (3.A.9). THE USER SPECIFIES THE FUNCTION PHI, WHEREUPON THE MACHINE CONSTRUCTS TABLES OF VALUES FOR PHI, PHI', & (PHI') INVERSE. ANY FURTHER REFERENCE TO PHI IS INTERPRETED IN TERMS OF THE TABLES OF VALUES.

THE ALGORITHM BEGINS WITH A SET OF INITIAL GUESSES FOR THE LAMBDA(J)'S. THESE MAY BE INPUT BY THE USER -- FOR EXAMPLE, IF A NEARLY IDENTICAL SYSTEM HAS BEEN SOLVED PREVIOUSLY OTHERWISE, THE INITIAL VALUE OF EACH LAMBDA(J) IS 1.0. THEN THE LEFT SIDES OF THE EQUATIONS IN (3.A.9) ARE COMPUTED, WHICH REQUIRES ONE PASS THROUGH THE FILE OF RETURNS AND AT THE SAME TIME, A JACOBIAN MATRIX IS COMPUTED WHICH SHOWS THE EFFECTS OF SMALL CHANGES IN THE LAMBDA(J)'S ON THE VALUES OF THE LEFT SIDES OF THE EQUATIONS. WITH THIS INFORMATION IT IS POSSIBLE TO SELECT AN IMPROVED GUESS FOR THE LAMBDA(J)'S FOR USE IN THE NEXT PASS. WE FOUND THAT FIVE TO TEN ITERATIONS WERE SUFFICIENT TO REACH 28 TARGETS WITHIN THE LIMIT OF ACCURACY OF THE MACHINE.

THIS METHOD FOR SOLVING THE SYSTEM (3.A.9) IS APPARENTLY CALLED THE GAUSS-NEWTON METHOD. THIS PARTICULAR ?APPLICATION PRESENTS NO DIFFICULTIES.

THE PROCESS OF CONVERGENCE IS INTERESTING TO WATCH, SINCE THE LEFT SIDES OF THE EQUATIONS IN (3.A.9) REPRESENT THE AMOUNTS BY WHICH THE TARGETS WILL BE MISSED IF WE STOP WITH THE CURRENT VALUES OF THE LAMBDA(J)'S . THUS, WHILE THE LAMBDA(J)'S CONVERGE ON THEIR CORRECT VALUES, WE CAN WATCH THE ENTIRE FILE CONVERGE ON ITS TARGETS.

WE HAD NO CONVERGENCE PROBLEMS OF ANY SORT, EXCEPT ONCE WHEN WE ATTEMPTED A TRIAL RUN WITH INCONSISTENT TARGETS. IN GENERAL, IF

CONVERGENCE PROBLEMS ARE ENCOUNTERED IN APPLYING THIS ALGORITHM, IT IS PROBABLY BETTER TO SELECT MORE REASONABLE TARGETS THAN TO USE A MORE POWERFUL SOLUTION PROCEDURE.

APPENDIX B

B. DUPLICATING THE TREASURY PROCEDURE FOR 1977.

IF YOU HAVE BEEN USING A FILE OF 1975 TAX RETURNS DERIVED FROM, OR SIMILAR TO, THE 1975 'STATISTICS OF INCOME' FILE, YOU CAN CREATE A 1978 FILE USING THE TREASURY METHOD WITHOUT CALCULATING THE LAGRANGE MULTIPLIERS YOURSELF. THE REQUIREMENTS ARE: (1) YOUR FILE MUST CONTAIN ENOUGH INFORMATION FROM EACH RETURN TO CALCULATE THE 11 TARGETED ITEMS (TABLE 3.1.1, PAGE 1A) WITH NO EXCEPTIONS (2) YOU MUST BE ABLE TO CALCULATE 1978 LAW TAX FOR EACH RETURN (1975 LAW TAX IS NOT USABLE, EVEN AS A HALF-WAY MEASURE, SEE PAGE 3A). IF YOU BEGIN WITH A COPY OF THE OFFICE OF TAX ANALYSIS 1975 TAX MODEL FILE, YOUR RESULTING 1978 FILE WILL REFLECT THE 11 TARGETS EXACTLY. IF YOU BEGIN WITH THE INTERNAL REVENUE SERVICE 1975 TAX MODEL OR ANOTHER SUBSAMPLE, YOU WILL MISS THE TARGETS BY THE COMBINED SAMPLING ERRORS OF OUR SUBSAMPLE AND YOURS.

TO CREATE YOUR 1978 FILE, REVISE EACH 1975 RETURN AS FOLLOWS:

1. MULTIPLY THE SAMPLE WEIGHT BY:

(FOR SINGLE RETURNS)	1.1313
(FOR JOINT RETURNS)	1.0271
(MFS AND SS)	1.0000
(HEADS OF HOUSEHOLD)	1.1921

2. MULTIPLY EACH DOLLAR AMOUNT ON THE RETURN BY 1.2534.
3. CALCULATE TAX UNDER 1978 LAW. (THIS IS DIFFICULT. IT CAN BE POSTPONED UNTIL THE CONCLUSION OF THE EXTRAPOLATION, AND ERRORS IN CALCULATING TAX WILL NOT AFFECT THE EXTRAPOLATION ITSELF.)
4. IDENTIFY THE 11 NUMBERS WHICH REPRESENT THE UNWEIGHTED AMOUNTS OF THE TARGETED ITEMS ON THE RETURN. SEE TABLE 3.1.1. NOTES:
   (A) ITEMS SUCH AS #1, ARE EITHER 1 OR 0.
   (B) ITEM 10 (PENSIONS) IS THE SUM OF FULLY TAXABLE PENSIONS AND THE TAXABLE PORTION OF PARTIALLY TAXABLE PENSIONS.
5. MULTIPLY EACH OF THE 11 NUMBERS DETERMINED ABOVE BY THE CORRESPONDING MULTIPLIER (TABLE 3.B.1), ADD THE RESULTS, AND CALL THE TOTAL Y.

TABLE 3.8.1

MULTIPLIERS USED FOR THE 1978 EXTRAPOLATION

TARGET NUMBER	MULTIPLIER	TARGET NUMBER	MULTIPLIER
1	+.829732	10	$+.022676 \times 10^{-6}$
2	+1.970475	11	$+1941.06 \times 10^{-6}$
3	+1.489393		
4	+.150923		
5	-.757532		
6	-.759515		
7	$+834.018 \times 10^{-6}$		
8	$+.44961 \times 10^{-6}$		
9	$+4.69762 \times 10^{-6}$		

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6. FIND X SUCH THAT

$$4X^3 - 4X^{-5} = Y$$

7. MULTIPLY THE SAMPLE WEIGHT BY X.
8. THE POST-ADJUSTMENTS ARE ACCOMPLISHED BY EMPLOYING THE SOURCE CODING SHOWN BELOW (REFER TO CHAPTER 2 FOR THE INTERPRETATION OF THE VARIABLE NAMES).

```
      ------------------------------------------------------------
      CORRECT TAX EXPENSE DEDUCTIONS PER VASQUEZ FACTORS
      ------------------------------------------------------------
      D(113)=D(113)*0.95
      D(114)=D(114)*0.94
      D(115)=D(115)*0.80
      D(116)=D(116)*0.80
      DN3=D(111)+D(112)+D(113)+D(114)+D(115)+D(116)
      ------------------------------------------------------------
      CORRECT MEDICAL EXPENSE PER VASQUEZ FACTORS
      ------------------------------------------------------------
      IF(IDEDX .EQ. 2)GO TO 444
      TEST=DN4+DN5
      IF(AGIX .GT. 0.0)GO TO 445
      GO TO 444
  445 TEST=TEST/AGIX
      IF(TEST .GT. 0.10)GO TO 446
      DN4=DN4*0.90
      DN5=DN5*0.90
      GO TO 444
  446 DN4=DN4*1.035
      DN5=DN5*1.035
  444 CONTINUE
      ------------------------------------------------------------
      CORRECT IMPUTED ITEMIZED DEDUCTIONS FOR STANDARDS
      ------------------------------------------------------------
      IF(IDEDX .NE. 2)GO TO 888
      IF(DN1 .GE. 550.0)GO TO 888
      TOTAL=DN8+D(121)+D(122)+D(123)+DN3+HMIE+OIE
      DEL=DN1*0.43
      IF(TOTAL .LT. DEL)GO TO 888
      IF(TOTAL .LE. 0.0)GO TO 888
      DN8=AMAX1(0.0,DN8-(DN8/TOTAL)*DEL)
      D(121)=AMAX1(0.0,D(121)-(D(121)/TOTAL)*DEL)
      D(122)=AMAX1(0.0,D(122)-(D(122)/TOTAL)*DEL)
      D(123)=AMAX1(0.0,D(123)-(D(123)/TOTAL)*DEL)
      DN7=D(121)+D(122)+D(123)+CHILDC+ALIMNY
      D(111)=AMAX1(0.0,D(111)-(D(111)/TOTAL)*DEL)
      D(112)=AMAX1(0.0,D(112)-(D(112)/TOTAL)*DEL)
      D(113)=AMAX1(0.0,D(113)-(D(113)/TOTAL)*DEL)
      D(114)=AMAX1(0.0,D(114)-(D(114)/TOTAL)*DEL)
      D(115)=AMAX1(0.0,D(115)-(D(115)/TOTAL)*DEL)
      D(116)=AMAX1(0.0,D(116)-(D(116)/TOTAL)*DEL)
      DN3=D(111)+D(112)+D(113)+D(114)+D(115)+D(116)
      HMIE=AMAX1(0.0,HMIE-(HMIE/TOTAL)*DEL)
      OIE=AMAX1(0.0,OIE-(OIE/TOTAL)*DEL)
      D(117)=D(117)*1.43
      D(118)=D(118)*1.43
      D(119)=D(119)*1.43
      D(120)=D(120)*1.43
```

```
      DN1=D(117)+D(118)+D(119)+D(120)
  888 CONTINUE
```

4. IMPUTATION METHODOLOGIES.

4.1. IMPUTING DEDUCTIONS TO STANDARD DEDUCTION RETURNS.

4.1.1. RATIONALE FOR IMPUTATION.

IF ONE ENCOUNTERS A TAX PROPOSAL THAT TREATS ITEMIZED DEDUCTIONS DIFFERENTLY THAN THE PRESENT LAW, IT IS POSSIBLE THAT THE NEW TREATMENT MAY RESULT IN SOME INDIVIDUALS ELECTING TO FILE AN ITEMIZED RETURN RATHER THAN A STANDARD DEDUCTION RETURN. THIS EFFECT, HOWEVER, CANNOT BE CAPTURED IN AN ANALYSIS UNLESS THE DATA BASE CONTAINS DOLLAR AMOUNTS FOR EACH DEDUCTIBLE ITEM ON A STANDARD DEDUCTION RETURN. SINCE THE TAX SAMPLE, IN ITS ORIGINAL FORM DOES NOT CONTAIN THESE DATA, IT WOULD BE DESIRABLE TO ASSIGN SOME ESTIMATE TO EACH DEDUCTIBLE ITEM ON A STANDARD RETURN; THEREBY ALLOWING ONE TO ESTIMATE THE EFFECT OF SWITCHING FROM A STANDARD TO AN ITEMIZED RETURN.

4.1.2. GENERAL METHODOLOGY.

TWENTY-FIVE ATTRIBUTES (ITEMS 93 THROUGH 117 IN THE 1975 SOI ARCHIVAL DATA BASE) ARE AVAILABLE FOR RETURNS WHICH ARE 'ITEMIZING WITH DETAIL.' THESE ATTRIBUTES ARE ORIGINALLY MISSING, HOWEVER, IN ALL OTHER RETURNS AND HAVE THEREFORE BEEN IMPUTED TO STANDARD DEDUCTOR RETURNS WITH 'FORM OF DEDUCTION CODE (FDED) EQUAL TO 3 AND 4. THE IMPUTATIONS ARE ESTIMATES BASED MAINLY UPON DATA PATTERNS IN ITEMIZING RETURNS. THE INFORMATION TRANSFER FROM ITEMIZER RETURNS TO STANDARD DEDUCTOR RETURNS WAS ACCOMPLISHED BY A MATCHING PROCEDURE, WHICH LINKS EACH RECIPIENT (STANDARD DEDUCTOR) RETURN WITH A SUITABLE DONOR (ITEMIZER) RETURN.

IMPLICITLY, EACH TAX RETURN POSSESSES A NUMERICAL THRESHOLD BASED ON ITS MARITAL STATUS AND ON ITS ADJUSTED GROSS INCOME. A TAXABLE UNIT SHOULD RATIONALLY ELECT STANDARD DEDUCTOR STATUS IF ITS TOTAL ITEMIZED DEDUCTIONS FALL BELOW THIS THRESHOLD; AND - CONVERSELY IT SHOULD CHOOSE TO ITEMIZE IF ITS TOTAL DEDUCTIONS FROM AGI EXCEED THE THRESHOLD. IN COMPLIANCE WITH THIS RATIONALE, THE IMPUTATION METHODOLOGY LIMITS TOTAL DEDUCTIONS PER RETURN TO VALUES BELOW THE THRESHOLD.

ANOTHER PROPERTY, WHICH THE IMPUTATIONS HAVE, IS THAT THEY ARE

RANDOMIZED IN ACCORDANCE WITH UNDERLYING NATURAL DISTRIBUTIONS AND WITHIN PROPER BOUNDS. THUS, TWO RETURNS WITH IDENTICAL AGI'S WILL NOT IN GENERAL EXHIBIT IDENTICAL VALUES FOR ANY OF THE IMPUTED ATTRIBUTES.

4.1.3. OTHER DOCUMENTATION.

FOR THE TAX MODEL BASES BUILT UPON 1975 SOI DATA, THESE IMPUTATIONS HAVE BEEN PERFORMED IN ACCORDANCE WITH THE FOLLOWING THREE MEMORANDA BY PETER K. COOK:

1. THE TURNER SOFT-LINK METHOD, NOVEMBER 18, 1976.
2. IMPUTATION OF ITEMIZED DEDUCTIONS TO PERSONAL INCOME TAX RETURNS OF STANDARD DEDUCTORS IN THE 50,160 RETURN 1973 SOI SAMPLE, REVISED, DECEMBER 27, 1976.
3. TRANSFORMATION FUNCTIONS FOR IMPUTATIONS, JANUARY 13, 1977.

4.2. WIFE'S SHARE OF WAGES & SALARIES IMPUTATION.

4.2.1. RATIONALE FOR IMPUTATION.

CALCULATION OF WITHHOLDING OR SOCIAL SECURITY TAX FOR A TWOEARNER COUPLE REQUIRES KNOWLEDGE OF THEIR SEPARATE WAGES. IN ADDITION, MANY RECENT INCOME-TAX PROPOSALS WOULD PROVIDE SPECIAL TREATMENT FOR A SECOND-EARNER'S WAGES. THEREFORE AN IMPUTATION HAS BEEN MADE IN THE TAX MODEL TO INDICATE WHAT SHARE OF THE COMBINED WAGES ON A JOINT RETURN IS ATTRIBUTABLE TO EACH SPOUSE.

THE IMPUTATION APPEARS ON EACH RETURN AS SHARES, OR D(171), AND REPRESENTS THE SHARE OF TOTAL WAGE AND SALARY INCOME ATTRIBUTABLE TO THE WIFE. THE VALUE OF SHARES RANGES FROM 0.0 TO 1.0. THE USER WHO PREFERS TO USE >SECOND-EARNER'S SHARE,> THUS AVOIDING A DISTINCTION BASED ON SEX, SHOULD USE AMIN1(SHARES,1.-SHARES), WHICH RANGES FROM 0.0 TO 0.5.

THE IMPUTATION REFERS ONLY TO WAGE AND SALARY INCOME. HOWEVER, SOME USERS MAY WISH TO USE IT AS A PROXY FOR THE DISTRIBUTION OF NON-WAGE INCOME OR OTHER ITEMS, AND FOR THEIR CONVENIENCE THE IMPUTATION HAS BEEN CALCULATED FOR ALL JOINT RETURNS, INCLUDING THOSE WITHOUT WAGE INCOME. FOR NON-JOINT RETURNS, INCLUDING SURVIVING-SPOUSE AND MARRIED-SEPARATE RETURNS, SHARES EQUALS 0.0.

4.2.2. GENERAL METHODOLOGY.

THE IMPUTATION IS BASED ON INFORMATION FROM A SAMPLE OF 1974 TAX RETURNS WITH THEIR ACCOMPANYING W-2 FORMS, WHICH WAS PREPARED BY THE I.R.S. FOR THEIR SPECIAL STUDY. A COPY OF THE SAMPLE TAPE IS NOW IN THE CUSTODY OF O.C.S. THIS TAPE WAS USED TO PRODUCE TABLE 4.2.1, BELOW. THE ORIGINAL TABULATION IS ATTACHED TO A MEMO FROM STROMQUIST TO GALPER AND WILKINS, DATED AUGUST 30, 1977, AND KEPT IN THE REVENUE ESTIMATING FILES.

TO PRODUCE TABLE 4.2.1, THE 1974 JOINT RETURNS WERE DIVIDED INTO 30 GROUPS BASED ON ADJUSTED GROSS INCOME AND NUMBER OF DEPENDENT EXEMPTIONS. EACH ROW OF TABLE 4.2.1 DESCRIBES ONE GROUP. WITHIN EACH GROUP, THE RETURNS WERE DIVIDED INTO CELLS ACCORDING TO THE WIFE'S SHARE OF TOTAL W-2 WAGES. (THE DISCREPANCIES BETWEEN W-2 WAGES AND TOTAL WAGES REPORTED ON THE RETURNS WAS SMALL.) THERE

IS ONE CELL FOR A SHARE OF EXACTLY 0.0, AND ONE FOR EXACTLY 1.0. EACH ROW IN TABLE 4.2.1 IS CUMULATIVE.

TO MAKE THE IMPUTATION IN THE 1975 TAX MODEL, EACH 1975 RETURN WAS ASSIGNED TO ONE OF THE SAME 30 GROUPS, AND WAS THEN ASSIGNED TO A CELL IN THAT GROUP AT RANDOM (WITH THE APPROPRIATE PROBABILITIES). THIS WAS ENOUGH TO SPECIFY SHARES WITHIN A RANGE OF 0.1. AN EXACT VALUE WAS THEN CHOSEN WITHIN THE RANGE AT RANDOM (UNIFORM DISTRIBUTION). OF COURSE, IN THE EXTREME CELLS THERE WAS NO RANGE, AND SHARES WAS LEFT AT EXACTLY 0.0 OR 1.0.

THE IMPUTATION WAS MADE IN THE 1975 TAX MODEL, AND CARRIED OVER WITHOUT CHANGE TO THE 1978 MODEL. THE 1978 MODEL, HOWEVER, SHOULD SHOW A SLIGHTLY HIGHER PERCENTAGE OF TWO-EARNER COUPLES, SINCE THERE ARE MORE CHILDLESS COUPLES IN 1978 AND THE 1978 MODEL REFLECTS THIS WITH HIGHER SAMPLE WEIGHTS ON THE SAME SAMPLE RETURNS.

THE IMPUTATION COULD BE IMPROVED BY A BETTER SELECTION OF THE 30 GROUPS. IT IS DESIRABLE TO KEEP THE NUMBER OF GROUPS RELATIVELY LOW, SO THAT THE TABULATION CAN BE REVIEWED EXPLICITLY, AND TO ASSURE A REASONABLE SAMPLE WITHIN EACH GROUP. STILL, A BETTER CHOICE COULD BE MADE. FOR EXAMPLE, OTHER TABULATIONS FROM THE 1974 STUDY SHOW THAT RETURNS WITH AGED EXEMPTIONS ARE LESS LIKELY TO REPRESENT TWO-EARNER COUPLES THAN SIMILAR RETURNS WITHOUT AGE EXEMPTIONS, BUT THIS INFORMATION HAS DISAPPEARED FROM TABLE 4.2.1 AND FROM THE TAX MODEL. IT IS PROBABLY POSSIBLE (SINCE BOTH FILES CONTAIN HARD-MATCHED SOCIAL-SECURITY DATA) TO DEFINE THE GROUPS USING AGE OF TAXPAYERS (BUT NOT AGE OF CHILDREN).

TABLE 4.2.1: WIFE'S SHARE OF TOTAL WAGES & SALARIES IN 1972

A.G.I. CLASS ($000)	WIFE'S SHARE OF TOTAL WAGES (PERCENT, ROWS CUMULATIVE) 0.0	0 TO 10	10 TO 20	20 TO 30	30 TO 40	40 TO 50	50 TO 60	60 TO 70	70 TO 80	80 TO 90	90 TO 100
RETURNS WITH NO DEPENDENT EXEMPTIONS											
UP TO 0	50.9	61.2	61.9	63.4	63.8	64.0	65.8	65.8	66.9	72.9	73.2
0- 5	49.1	51.9	53.8	57.1	59.2	61.5	64.3	65.8	67.1	69.1	70.4
5- 10	43.2	49.4	55.5	61.2	68.7	72.6	76.3	79.3	82.6	84.2	86.6
10- 15	37.1	44.0	51.1	59.5	69.5	80.3	86.0	87.6	89.5	90.9	91.9
15- 20	31.0	36.0	42.0	54.1	71.6	86.7	91.8	93.8	95.1	95.7	96.0
20- 30	26.4	31.0	37.9	48.0	67.4	87.0	92.6	94.9	95.5	95.7	96.1
30- 50	36.9	41.8	48.5	59.9	71.9	82.5	88.0	89.5	89.7	91.1	91.5
50-100	58.9	67.1	73.4	81.0	85.4	88.5	90.5	91.2	91.7	92.2	92.6
100-200	69.8	79.9	85.4	89.0	91.8	93.2	94.7	95.0	95.4	95.6	95.7
200---	74.8	84.9	88.8	91.8	93.9	94.9	95.8	96.3	96.5	96.6	96.9
RETURNS WITH ONE DEPENDENT EXEMPTION											
UP TO 0	33.1	33.9	36.0	37.5	37.6	42.4	42.6	44.1	46.3	47.8	48.1
0- 5	62.4	67.5	71.0	75.2	76.7	78.0	78.3	78.9	81.4	81.4	81.8
5- 10	55.5	65.7	72.8	76.0	78.5	84.0	85.9	87.7	88.6	89.5	92.1
10- 15	43.6	55.0	63.8	72.9	82.2	90.8	93.3	94.4	95.2	95.7	96.6
15- 20	34.9	44.0	54.4	64.7	78.5	90.4	94.9	95.6	97.3	97.5	97.7
20- 30	24.9	32.4	41.3	58.2	79.2	90.8	94.9	95.7	95.8	95.9	96.3
30- 50	41.7	49.2	55.6	66.5	80.4	88.3	93.0	93.3	93.5	93.6	93.8
50-100	61.9	72.4	77.8	84.3	87.5	89.3	90.7	91.1	91.8	92.2	92.4
100-200	70.5	80.0	86.5	90.1	91.6	92.6	93.7	94.0	94.4	94.6	94.8
200---	77.3	87.1	91.3	93.6	95.2	96.1	96.3	96.4	96.7	96.9	97.0
RETURNS WITH TWO OR MORE DEPENDENT EXEMPTIONS											
UP TO 0	46.2	49.0	51.9	52.8	53.9	59.2	62.3	63.3	63.5	64.0	64.3
0- 5	56.7	63.0	67.2	71.1	76.5	79.5	81.0	85.6	85.7	86.7	87.0
5- 10	60.3	69.8	76.7	82.2	84.4	87.1	88.6	90.2	91.7	92.4	93.5
10- 15	55.0	67.5	75.8	82.8	89.4	93.7	95.6	96.5	97.0	97.2	97.5
15- 20	42.0	54.6	66.1	76.3	86.7	95.0	96.9	97.7	97.9	97.9	98.1
20- 30	39.5	51.3	62.2	72.1	86.3	93.9	96.4	97.2	97.4	97.4	97.5
30- 50	51.3	60.7	68.6	75.2	85.3	91.5	94.1	94.7	94.9	95.3	95.7
50-100	70.5	80.7	86.4	90.1	91.9	93.2	94.0	94.3	94.6	94.7	94.8
100-200	73.3	85.5	90.5	92.2	93.7	94.5	94.8	95.0	95.2	95.3	95.5
200---	77.3	88.9	92.5	94.5	95.5	96.1	96.7	96.9	97.2	97.4	97.5

4.2.3. OTHER DOCUMENTATION.

OTA MEMO OF AUGUST 30, 1977.

4.3. CHILD-CARE CREDIT IMPUTATION.

4.3.1. RATIONALE FOR IMPUTATION.

THIS IMPUTATION WAS MADE SO THAT THE CALCULATIONS OF TAXES UNDER CURRENT LAW WILL REFLECT THE MAJOR CHANGES IN THE CHILDCARE PROVISIONS INTRODUCED BETWEEN 1975 AND 1978. IN 1975 THERE WAS A DEDUCTION FOR CHILD-CARE, BUT IT COULD ONLY BE CLAIMED BY TAXPAYERS WHO ITEMIZED THEIR DEDUCTIONS. IT WAS ALSO SUBJECT TO A CEILING AMOUNT AND A SEVERE INCOME LIMITATION. THE TOTAL AMOUNT DEDUCTED WAS ABOUT $1.3 BILLION. BY CONTRAST, IN 1978, A CREDIT EQUAL TO 20% OF DEPENDENT-CARE EXPENSE WILL BE ALLOWED WITHOUT REGARD TO INCOME OR FORM OF DEDUCTIONS. SINCE THE COVERAGE OF THE 1975 DEDUCTION DATA WAS SO NARROW, THOSE DATA WERE DISCARDED AND AN INDEPENDENT IMPUTATION WAS EMPLOYED FOR 1978.

4.3.2. GENERAL METHODOLOGY.

THE TWO MOST IMPORTANT CRITERIA FOR CLAIMING THE CHILD-CARE CREDIT, ARE TO BE GAINFULLY EMPLOYED AND TO HAVE ONE OR MORE DEPENDENTS LIVING AT HOME FOR WHOM IT IS NECESSARY TO INCUR COSTS IN ORDER TO WORK.

THE CREDIT IS AVAILABLE TO THOSE FILING SINGLE RETURNS, JOINT RETURNS WITH DEPENDENTS LIVING AT HOME AND HEAD OF HOUSEHOLD RETURNS WITH DEPENDENTS LIVING AT HOME. IN THE CASE OF A JOINT RETURN, ONLY THOSE RETURNS WITH A WORKING SPOUSE ARE INCLUDED IN THE ELIGIBLE POPULATION (WHERE A WORKING SPOUSE IS DEFINED ON THE BASIS OF THE W-2 RETURN). APPLYING THESE RULES LITERALLY YEILDS FAR TOO MANY QUALIFING RETURNS. THEREFORE, THE IMPUTATION METHODOLOGY ASSUMES THAT 89% OF ALL OF THE RETURNS THAT WOULD NORMALLY QUALIFY, DO NOT USE THE CREDIT(I.E. 11% OF THE RETURNS ACTUALLY QUALIFY). THIS METHODOLOGY PRODUCES ABOUT 3 MILLION RETURNS USING THE CHILD-CARE CREDIT AND IS CONSISTENT WITH OUR IN-HOUSE REVENUE ESTIMATES.

THE IMPUTATION METHODOLOGY ASSUMES THAT THE TAXPAYER'S EMPLOYMENT RELATED EXPENSES ARE 10% OF EARNED INCOME (WHERE EARNED INCOME IS DEFINED AS WAGES AND SALARIES PLUS 30% OF POSITIVE SELF-EMPLOYMENT FARM AND NON-FARM INCOME.

HAVING OBTAINED AN ESTIMATE OF THE TAXPAYER'S EMPLOYMENT RELATED

EXPENSES, THE CREDIT PER RETURN IS EQUAL TO 20% OF THESE EXPENSES. THE CHILD-CARE CREDIT IS LIMITED TO $2,000 FOR RETURNS WITH ONE QUALIFYING DEPENDENT AND TO $4,000 FOR THOSE FOR TWO OR MORE DEPENDENTS AND IS NONREFUNDABLE.

BASED ON PRELIMINARY 1976 DATA FROM THE IRS, ABOUT 2.7% OF RETURNS CLAIMED THE CREDIT. THE TAX EXPENDITURE ESTIMATE FOR 1976 WAS $458 MILLION (THIS WAS OBTAINED FROM FLOYD REEVES AND IS QUITE A BIT LOWER THAN THE PUBLISHED AMOUNT; REEVES THINKS IT TOO HIGH). BASED ON THE EXPECTED 86.6 MILLION RETURNS FOR 1978, AND AN ANNUAL GROWTH RATE OF 10%, IT IS EXPECTED THAT 3 TO 3.5 MILLION RETURNS WILL USE THE CREDIT IN 1978. A ROUGH ESTIMATE WOULD YIELD A COST OF ABOUT $550 BILLION.

4.3.3. OTHER DOCUMENTATION.

NONE.

4.4. STATE-LOCAL BOND INTEREST

4.4.1. RATIONALE FOR IMPUTATION.

ONE OF THE NON-TAXABLE SOURCES OF INCOME THAT VARIOUS TAX PROPOSALS HAVE RECENTLY CONSIDERED IS THE TAXATION OF TAX-EXEMPT STATE AND LOCAL BOND INTEREST. SINCE THIS SOURCE OF INCOME IS NON-TAXABLE, IT DOES NOT APPEAR AS A DATA ITEM ON THE TAX MODEL SAMPLE AND THEREFORE, MUST BE IMPUTED.

4.4.2. GENERAL METHODOLOGY

THE 1978 ESTIMATE FOR THE TOTAL AMOUNT OF BONDS OUTSTANDING IS ABOUT $254.3 BILLION. INDIVIDUALS IN THE HOUSEHOLD SECTOR WILL HOLD ABOUT $73 BILLION OF THE TOTAL. THE AVERAGE INTEREST RATE ON SUCH OBLIGATIONS IN 1978 IS ESTIMATED TO BE ABOUT 5.5 PERCENT AND INDIVIDUALS WILL ,THEREFORE, RECEIVE TAX-EXEMPT STATE AND LOCAL BOND INTEREST OF $4.0 BILLION DOLLARS.

THE MOST RECENT DATA ON THE DISTRIBUTION OF STATE AND LOCAL INTEREST IS THE 1962 PROJECTOR AND WEISS STUDY FOR THE FEDERAL RESERVE. SINCE THE 1962 FIGURES ARE THE MOST RECENT, IT WAS DECIDED TO BASE THIS IMPUTATION ON THESE DATA AND KEEP THE RELATIVE DISTRIBUTION OF INTEREST INCOME UNCHANGED.

THE FIRST STEP IN THE IMPUTATION PROCEDURE IS TO DETERMINE THE ABSOLUTE INCOME CLASSES IN 1978 WHICH WOULD CONTAIN THE SAME RELATIVE PROPORTION OF UNITS AS REPRESENTED BY THE 1962 INCOME BREAKPOINTS. THIS WAS DONE BY INFLATING THE 1962 INCOME CLASSES TO 1978 LEVELS. SMOOTHING THE RESULTS YIELDS THE DISTRIBUTIONS PRESENTED IN TABLE 4.4.1.

TABLE 4.4.1:ESTIMATED DISTRIBUTION OF INDIVIDUALS
STATE-LOCAL BOND VALUE AND INTEREST
BY 1978 INCOME CLASS

INCOME CLASS	PERCENTAGE DISTRIBUTION OF BOND VALUE	AMOUNT OF INDIVIDUALS' BOND VALUE	AMOUNT OF INTEREST
		(.....$ MILLIONS	.....)
UNDER $ 50,000	5.1%	$3,723	$ 204
50,000 - 75,000	2.7%	1,971	108
75,000 - 100,000	9.7%	7,081	388
100,000 - 175,000	36.4%	26,572	1,456
175,000 AND OVER	46.1%	33,653	1,844
TOTAL	100.0%	$73,000	$4,000

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THE NEXT STEP IN THE IMPUTATION INVOLVED DISTRIBUTING THE TOTAL AMOUNT OF INTEREST IN EACH INCOME CLASS AMONG THE UNITS IN THAT CLASS. THIS WAS DONE BY COMPUTING THE MEAN INTEREST AMOUNT FOR EACH INCOME CLASS(THE TOTAL INTEREST IN THE CLASS DIVIDED BY THE ESTIMATED NUMBER OF RECIPIENT UNITS IN THE CLASS) AND COMPUTING A STANDARD DEVIATION ASSUMED TO EQUAL 1/2 OF THE MEAN INTEREST IN EACH INCOME CLASS. THE PROPORTION OF RETURNS WITH AND WITHOUT TAX-EXEMPT INTEREST, AND THE MEAN AND STANDARD DEVIATION OF RETURNS WITH TAX-EXEMPT INTEREST ARE PRESENTED IN TABLE 4.4.2. THE PERCENTAGE OF RETURNS WITH INTEREST INCOME WAS USED TO RANDOMLY SELECT -- FROM A UNIFORM DISTRIBUTION -- INDIVIDUAL RETURNS THAT WOULD RECEIVE AN IMPUTED TAX-EXEMPT INTEREST AMOUNT. ONCE A RETURN WAS SELECTED, THE RETURN WAS ASSIGNED A TAX-EXEMPT INTEREST WITH A MEAN AND STANDARD DEVIATION FOR HIS INCOME CLASS. THE AMOUNT IMPUTED WAS GENERATED FROM A LOGNORMAL DISTRIBUTION.

TABLE 4.4.2: DERIVATION OF NUMBER OF RETURNS WITH STATE-LOCAL BOND INTEREST AND MEAN AMOUNT TO BE IMPUTED TO SELECTED RETURNS, 1978

INCOME CLASS	PERCENT RETURNS WITH NO INT INC	PERCENT RETURNS WITH INT INC	PERCENT RETURNS TOTAL	NO. OF RTNS TOTAL	NO. OF RTNS WITH INT INCOME	INT. INCOME TOTAL	INT. INCOME MEAN	INT. INCOME STD DEV.
				(THOUSANDS)		($MILLS)		
< 50	99.72	0.28	100.00	87,860	242.72	204	840	420
50- 75	98.33	1.67	100.00	3,185	18.15	108	5,950	2975
75-100	93.73	6.27	100.00	794	21.44	388	18,097	9,048
100-175	76.46	23.54	100.00	323	63.32	1,456	22,994	11,497
175&UP	33.15	66.85	100.00	166	72.20	1,844	25,540	12,770
				92,328	417.83	4,000	9,573	

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4.4.3. OTHER DOCUMENTATION.

NONE.

4.5. IMPUTATION FOR 1978 SOCIAL SECURITY PAYROLL TAX

4.5.1. RATIONALE FOR IMPUTATION

RECENTLY, IT HAS BEEN DESIRABLE TO ANALYZE PROPOSED TAX LEGISLATION IN TERMS OF TOTAL TAX LIABILITY WHERE TOTAL TAX LIABILITY IS DEFINED AS THE FEDERAL INDIVIDUAL INCOME TAX LIABILITY PLUS THE SOCIAL SECURITY TAX LIABILITY. SINCE SOCIAL SECURITY TAXES ARE NOT INCLUDED IN THE INDIVIDUAL INCOME TAX RETURN SAMPLE, SOCIAL SECURITY TAXES MUST BE IMPUTED TO THE SAMPLE.

4.5.2. GENERAL METHODOLOGY.

IN 1978, EACH EMPLOYEE AND EMPLOYER WILL PAY CASDHI, SOCIAL SECURITY PAYROLL TAX, AT A RATE OF .0605 ON THE 1ST $17,700 OF TAXABLE EARNINGS.(IN 1978 THE SELF-EMPLOYMENT TAX RATE WILL BE .0810 AND THE TAX BASE WILL ALSO BE $17,700.) SOCIAL SECURITY TAX IS PAID ON TAXABLE EARNINGS -- EVEN IF THERE IS NO INCOME TAX LIABILITY. SINCE THE TAX IS LEVIED ON A PER-EARNER BASIS, A LARGE PROPORTION OF JOINT RETURNS WILL HAVE TWO SOCIAL SECURITY TAX AMOUNTS.

THE FIRST STEP IN THE IMPUTATION METHODOLOGY REQUIRES THAT THE IMPUTATION OF THE WAGE AND SALARY SHARE OF THE LESSER EARNER BE COMPLETED. ONCE THIS IS DONE, THE SHARE OF THE LESSER EARNER IS MULTIPLIED TIMES TOTAL WAGES AND SALARIES TO OBTAIN THE LESSER EARNERS' WAGES (AND BY SUBTRACTION THE WAGES OF THE LARGER EARNER). ASSUMING THAT ALL WAGES AND SALARIES REPRESENT TAXABLE EARNINGS, SOCIAL SECURITY TAXES FOR 1978 ARE CALCULATED AT A RATE OF 0.0605 SUBJECT TO THE EARNINGS LIMITATION OF $17,700 FOR EACH INDIVIDUAL (MARRIED COUPLES FILING JOINTLY CAN HAVE A MAXIMUM OF TWO CALCULATIONS, WHILE ALL OTHER RETURNS HAVE ONLY ONE CALCULATION). FINALLY, ANY SELF-EMPLOYMENT TAX REPORTED ON THE RETURN, AFTER EXTRAPOLATION TO 1978 INCOME LEVELS, IS ADDED TO THE CALCULATED SOCIAL SECURITY TAX. IF THERE ARE TWO EARNERS, THE SELF-EMPLOYMENT TAX IS APORTIONED BETWEEN THE LARGER AND LESSER EARNER IN THE SAME PROPORTION AS THE WAGE AND SALARY SHARE OF THE LESSER EARNER.

TABLE 4.5.1 BELOW PRESENTS THE MAXIMUM TAXABLE EARNINGS AND THE TAX RATES FOR THE FICA TAX AND THE SECA TAX FROM 1976 PRESENT LAW

THRUUGH 1981 PROPOSED LAW.

TABEL 4.5.1: FICA TAX AND SE TAX FROM 1976
P.L. THRU 1981 PROPCSED LAW

PLANS	MAXIMUM TAXABLE EARNINGS	FICA (%)			SECA(%)		
		OASI	DI	HI	OASI	DI	HI
PL 1976	$15,300	4.375	.575	.9	6.7625	.815	.9
PL 1977	16,500	4.375	.575	.9	6.185	.815	.9
PL 1978	17,700	4.375	.6	1.1	6.15	.85	1.1
PL 1981	22,200	4.3	.65	1.35	6.08	.92	1.35
ADM1981	23,400	4.35	.8	1.15	6.5	1.2	1.15
WAM1981	29,700	4.45	.8	1.3	6.7	1.2	1.3
SFC1981	23,100	4.525	.825	1.25	6.7625	1.2375	1.25

PL = PRESENT LAW
ADM = ADMINISTRATION
WAM = WAYS & MEANS
SFC = SENATE FINANCE

4.5.3. OTHER DOCUMENTATION.

NONE.

5. A GENERAL DESCRIPTION OF THE TAX MODEL PROGRAM.

5.1. INTRODUCTION.

THE COMPUTER PROGRAM COMPONENT OF THE TREASURY'S INCOME TAX SIMULATION MODEL CONSISTS OF APPROXIMATELY 6,000 FORTRAN V STATEMENTS AND 270 CONTROL STREAM INSTRUCTIONS. THE FORTRAN PROGRAM CONTAINS 58 SUBPROGRAMS WHICH ARE GROUPED TO FORM 3 PARTS OR PHASES. EACH PHASE IS EXECUTED SEPERATELY AFTER OVERLAYING THE PREVIOUS PHASE.

SINCE JUNE 1968, THE TREASURY TAX MODEL HAS BEEN IMPLEMENTED ON A UNIVAC 1108 COMPUTER. ON THIS SYSTEM, THE PROGRAM'S EXECUTION TIME VARIES WITH THE SIZE OF THE TAX SAMPLE AND WITH THE COMPLEXITY OF THE TAX PROPOSAL UNDER ANALYSIS. A SIMULATION ON A TAX SAMPLE OF 100,000 RETURNS REQUIRES APPROXIMATELY 12 MINUTES OF CPU TIME WHILE THE SMALLER TAX SAMPLE OF 50,000 REQUIRES APPROXIMATELY 6 MINUTES OF CPU TIME.

IN EACH OF THE SECTIONS THAT FOLLOW, A GENERAL DESCRIPTION OF THE MAJOR ASPECTS AND COMPONENTS OF THE TREASURY'S TAX MODEL IS PRESENTED. ALL OF THE COMPONENTS OF THE TAX MODEL ARE DOCUMENTED IN THE PROGRAM SOURCE LISTING BUT SOME COMPONENTS REQUIRE ADDITIONAL DOCUMENTATION WHICH COULD NOT BE INCLUDED IN THE PROGRAM SOURCE LISTING. THIS ADDITIONAL DOCUMENTATION IS PRESENTED IN THE APPENDICES TO THIS CHAPTER.

5.2. DESIGN PHILOSOPHY OF THE TAX MODEL.

DURING ANY YEAR IN WHICH TAX REFORMS MAY BE PROPOSED, AN EXISTING TAX LAW IS OPERATIVE AND MAY BE DENOTED AS THE PRESENT TAX LAW. THE PRESENT TAX LAW IS DEFINED BY VARIOUS TAX PARAMETERS WHICH COLLECTIVELY ARE CALLED THE STANDARD PLAN X OR SIMPLY PLAN X. SIMILARLY, THE SET OF TAX PARAMETERS WHICH DEFINE THE PROPOSED TAX LAW MAY BE REFFERED TO AS PLAN Y. IF ONE WERE TO COMPARE EACH TAX PARAMETER IN PLAN X (PRESENT LAW) WITH EACH TAX PARAMETER IN PLAN Y (PROPOSED LAW), HE WOULD NORMALLY FIND THAT IN MOST CASES, THE NUMBER OF DIFFERENCES BETWEEN PLAN X AND PLAN Y ARE SMALL IN RELATION TO THE TOTAL NUMBER OF TAX PARAMETERS IN PLAN X. HENCE, THE DESIGN OF THE TAX MODEL PROGRAM INCORPORATES THIS FEATURE BY INITIALLY ASSUMING THAT NO DIFFERENCES EXIST BETWEEN PLAN X (PRESENT LAW) AND PLAN Y (PROPOSED LAW), I.E. PLAN X = PLAN Y. THIS DESIGN SIMPLIFIES DATA PREPARATION FOR THE USER SINCE HE HAS ONLY TO SPECIFY HOW PLAN Y (PROPOSED LAW) DIFFERS FROM PLAN X

(PRESENT LAW) IN ORDER TO COMPLETELY DEFINE THE PROPOSED TAX LAW.

ANOTHER DESIGN FEATURE OF THE TAX MODEL PROGRAM IS ITS CAPABILITY OF COMPARING TWO ALTERNATIVE TAX PROPOSALS WITH PLAN X. NORMALLY, A USER WILL WANT TO COMPARE PLAN Y WITH PLAN X AND ANALYZE THE RESULTS. IN SOME CASES, HOWEVER, THE USER MAY WANT TO COMPARE ONE TAX PROPOSAL, PLAN Y, AND A SECOND TAX PROPOSAL, PLAN Z, WITH PLAN X IN THE SAME SIMULATION TO DETERMINE WHICH PROPOSAL INDIVIDUAL TAXPAYERS WOULD SELECT.

FINALLY, IT WAS DESIRABLE TO HAVE A TAX MODEL PROGRAM THAT COULD PRODUCE SUMMARY RESULTS, DETAILED RESULTS, OR BOTH WHILE MINIMIZING EXECUTION TIME. CONSEQUENTLY, ALL OF THE STATISTICAL TABLES--EXCEPT TABLE 1A AND 5--ARE OPTIONAL AND MUST BE SPECIFICALLY REQUESTED.

5.3. PHASE I.

PHASE I OF THE SIMULATION IS BASICALLY AN INITIALIZATION AND PREPARATION STAGE. IT BEGINS BY INPUTTING OPERATIONAL DATA ON THE DESIRED OUTPUT TABLES, TITLES, ETC. NEXT, IT EQUATES ALL TAX PARAMETERS IN PLAN Z TO THOSE OF PLAN X IF PLAN Z WAS REQUESTED.(PLAN X AND PLAN Y ARE ALREADY EQUATED TO EACH OTHER UNLESS SPECIFIED OTHERWISE). THE REMAINNING DATA CARDS ARE INPUTTED AND THE DATA USED TO MODIFY THE TAX PARAMETERS IN ONE OR MORE OF THE TAX PLANS SUCH THAT PLAN X DOES NOT EQUAL PLAN Y WHICH DOES NOT EQUAL PLAN Z. THE REAMINNING EXECUTION OF PHASE I PRINTS THE TAX PARAMETERS UNDER THE ALTERNATIVE PLANS AND PREPARES THE STUBS FOR TABLE 6 OUTPUT (IF TABLE 6 WAS REQUESTED).

TABLE 5.3.1 PRESENTS THE SUBPROGRAMS AND CONTROL STREAM ELEMENTS GROUPED IN PHASE I. SOME OF THESE ARE NOT SPECIFICALLY INCLUDED IN THE CURRENT PROGRAM AND ARE MARKED WITH AN ASTERIK (*) TO INDICATE THAT THEY ARE INACTIVE.

TABLE 5.3.1: SUBPROGRAMS AND CONTROL STREAM ELEMENTS IN PHASE I

ELEMENT NAME	FUNCTION
COMPILE1	CONTROL STREAM INSTRUCTIONS FOR COMPILING PHASE I.
CSAVE1	PROCEDURE FILE WHICH DEFINES THE STORAGE AREA FOR PHASE I.
CONTRL	EXECUTIVE PROGRAM FOR ALL 3 PHASES.
MAIN1	EXECUTIVE PROGRAM FOR PHASE I.
INPUT1	INPUTS PART 1 DATA CARDS.
INPUT2	INPUTS TITLE CARDS, TAX PARAMETERS, TAX RATES AND CONSTRUCTS THE TAX SCHEDULES
DELDUP	DELETES DUPLICATE MARGINAL RATES IN ANY ONE SCHEDULE.
*BLKDATA/71	INITIALIZES PLAN X AND PLAN Y TO 1971 TAX LAW.
*BLKDATA/72	INITIALIZES PLAN X AND PLAN Y TO 1972 TAX LAW.
*BLKDATA/73	INITIALIZES PLAN X AND PLAN Y TO 1973 TAX LAW.
BLKDATA/75	INITIALIZES PLAN X AND PLAN Y TO 1975 TAX LAW.
BLKDATA/76	INITIALIZES PLAN X AND PLAN Y TO 1976 TAX LAW.
BLKDATA/77	INITIALIZES PLAN X AND PLAN Y TO 1977 TAX LAW.
BLKDATA/78	INITIALIZES PLAN X AND PLAN Y TO 1978 TAX LAW.
LSWOUT	PRINTS THE VALUE OF THE LOGIC SWITCHES
SCHED	GENERATES NEW TAX SCHEDULES FROM EXISTING TAX SCHEDULES.
MRATES	HANDLES THE INPUT OF TAX RATE DATA
SRATES	GENERATES A RATE SCHEDULE FOR SINGLE RETURNS FROM A RATE SCHEDULE FOR JOINT RETURNS
TAXTAB	PRINTS TAX RATE SCHEDULES.
PROUT	PRINTS ALL TAX PARAMETERS IN A PLAN EXCEPT THE TAX RATE SCHEDULES.
SWEEP	GENERATES THE STUBS FOR TABLE 6.

* CURRENTLY INACTIVE

5.4. PHASE II.

THE PRIMARY FUNCTION OF PHASE II IS TO PROCESS THE DATA FROM THE SAMPLE OF INDIVIDUAL INCOME TAX RETURNS UNDER EACH TAX PLAN THAT WAS SPECIFIED IN PHASE I. UPON ENTRY INTO PHASE II THE PROGRAM CALCULATES THE AMOUNT OF STORAGE SPACE NEEDED TO PRODUCE EACH OF THE TABLES REQUESTED BY THE USER. IF THE STORAGE ALLOCATION IS INSUFFICIENT, THEN ADDITIONAL CORE IS DYNAMICALLY ALLOCATED. FOLLOWING THE ABOVE, EACH DATA RECORD IS INPUTTED AND UNPACKED. USING THE INCOME TAX DATA IN EACH RECORD, TAX LIABILITY IS CALCULATED IN ACCORDANCE WITH THE TAX PLANS FROM PHASE I AND THE REQUESTED STATISTICAL TABLES UPDATED. AFTER ALL RETURNS HAVE BEEN PROCESSED, OPERATIONAL STATISTICS ARE PRINTED AND THE STATISTICAL TABLES ARE OUTPUTTED TO A TEMPORARY DATA FILE.

IN TABLE 5.4.1, EACH SUBPROGRAM AND CONTROL STREAM ELEMENT GROUPED UNDER PHASE II IS PRESENTED.

TABLE 5.4.1: SUBPROGRAMS AND CONTROL STREAM ELEMENTS IN PHASE II

ELEMENT NAME	FUNCTION
COMPILE2	CONTROL STREAM INSTRUCTIONS FOR COMPILING PHASE II.
CSAVE2	PROCEDURE FILE WHICH DEFINES THE STORAGE AREA FOR PHASE II.
MAIN2	EXECUTIVE PROGRAM FOR PHASE II.
MCORE	DYNAMICALLY ALLOCATES ADDITIONAL CORE.
EYDEF	COMPUTES EXPANDED INCOME.
TXCALC	CALCULATES TAX LIABILITY.
DEDUCT	CALCULATES ALLOWABLE DEDUCTIONS.
*EXTRA	IMPLEMENTS ADDITIONAL DEDUCTION CATEGORIES INTO THE ALLOWABLE DEDUCTIONS.
TAX	DETERMINES TAX FROM THE TAX RATE SCHEDULE.
ROUND	ROUNDS CALCULATED FIGURES.
ELDCR	CALCULATES THE ELDERLY CREDIT.
TABLES	UPDATES THE STATISTICAL TABLES.
SAMPLE	INPUTS TAX RETURN DATA FROM THE INCOME TAX DATA SAMPLE.
UNPKER	UNPACKS A DATA RECORD (SEE APPENDIX A.)
INDEX	OBTAINS AN INDEX CORRESPONDING TO A BRACKETED INTERVAL, CONTINUOUS INTERVALS.
*INDEXA	OBTAINS AN INDEX CORRESPONDING TO A BRACKETED INTERVAL, NON-CONTINUOUS INTERVALS.
*SURCHG	CALCULATES A SURCHARGE.
DEBUG	ROUTINE FOR DEBUGGING TAX CALCULATIONS
FUSIZE	TABULATES TAX AND EXPANDED INCOME BY FAMILY SIZE FOR PLAN X & PLAN Y.

* CURRENTLY INACTIVE

5.5. PHASE III.

PHASE III OF THE TAX MODEL IS DESIGNED TO PROCESS AND OUTPUT THE RESULTS OF PHASE II. UPON ENTRY INTO PHASE III, THE PROGRAM SCALES THE RESULTS, EXTENDS THE POPULATION COUNTS, AND OUTPUTS A COVER PAGE. IMMEDIATELY THEREAFTER, THE PROGRAM WILL INPUT EACH STATISTICAL TABLE REQUESTED IN PHASE I FROM THE TEMPORARY DATA FILE CREATED IN PHASE II. AFTER THE PARTICULAR TABLE HAS BEEN INPUTTED, A SUBPROGRAM DESIGNED TO PERFORM THE FINAL PROCESSING AND OUTPUT FOR THAT TABLE IS CALLED. THE SUBPROGRAM WILL OUTPUT EACH PAGE OF THE TABLE THAT THE USER REQUESTED IN THE PHASE I INPUT.

TABLE 5.5.1 PRESENTS THE SUBPROGRAMS AND CONTROL STREAM ELEMENTS GROUPED IN PHASE III. IN ADDITION, APPENDIX B PROVIDES A DETAILED EXPLANATION OF SUBROUTINE EXTEND.

TABLE 5.5.1: SUBPROGRAMS AND CONTROL STREAM ELEMENTS IN PHASE III

ELEMENT NAME	FUNCTION
COMPILE3	CONTROL STREAM INSTRUCTIONS FOR COMPILING PHASE III.
CSAVE3	PROCEDURE FILE WHICH DEFINES THE STORAGE ALLOCATION FOR PHASE III.
MAIN3	EXECUTIVE PROGRAM FOR PHASE III.
EXTEND	EXTENDS THE RESULTS (SEE APPENDIX B).
TAB1	PROCESSES THE RESULTS FOR TABLE 1 AND OUTPUTS TABLE 1.
TAB1A	PROCESSES THE RESULTS FOR TABLE 1A AND OUTPUTS TABLE 1A.
TAB2	PROCESS THE RESULTS FOR TABLE 2 AND OUTPUTS TABLE 2.
TAB3	PROCESS THE RESULTS FOR TABLE 3 AND OUTPUTS TABLE 3.
TAB4	PROCESS THE RESULTS FOR TABLE 4 AND OUTPUTS TABLE 4.
TAB5	PROCESS THE RESULTS FOR TABLE 5 AND OUTPUTS TABLE 5.
TAB6	PROCESS THE RESULTS FOR TABLE 6 AND OUTPUTS TABLE 6.
TAB7	PROCESS THE RESULTS FOR TABLE 7 AND OUTPUTS TABLE 7.
STORE	STORES PRE-SELECTED RESULTS FROM THE SUMMARY PAGES OF TABLE 1A AND 5 IN A TEMPORARY FILE.

5.6. OTHER SUBPROGRAMS AND CONTROL STREAMS.

THE TAX MODEL PROGRAM FILE ALSO CONTAINS OTHER SUBPROGRAMS AND CONTROL STREAM ELEMENTS WHICH MAY BE USED AS NEEDED. THESE ARE PRESENTED IN TABLE 5.6.1 AND ARE SELF-EXPLANATORY.

TABLE 5.6.1: OTHER SUBPROGRAMS AND CONTROL STREAM ELEMENTS IN THE TAX MODEL PROGRAM FILE

ELEMENT NAME	FUNCTION
COMPILE4	CONTROL STREAM INSTRUCTIONS FOR COMPILING VARIOUS SUBPROGRAMS OF A MISCELLANEOUS NATURE.
*XQT72	CONTROL STREAM INSTRUCTIONS FOR COLLECTING AND OVERLAYING THE RELOCATABLE ELEMENTS OF THE TAX MODEL, 1972 TAX LAW. THIS SET OF INSTRUCTIONS INCLUDES BLKDATA/72 IN THE COLLECTION.
*XQT73	CONTROL STREAM INSTRUCTIONS FOR COLLECTING AND OVERLAYING THE RELOCATABLE ELEMENTS OF THE TAX MODEL, 1973 TAX LAW. THIS SET OF INSTRUCTIONS INCLUDES BLKDATA/73 IN THE COLLECTION.
XQT75	CONTROL STREAM INSTRUCTIONS FOR COLLECTING AND OVERLAYING THE RELOCATABLE ELEMENTS OF THE TAX MODEL, 1975 TAX LAW. THIS SET OF INSTRUCTIONS INCLUDES BLKDATA/75 IN THE COLLECTION.
XQT76	CONTROL STREAM INSTRUCTIONS FOR COLLECTING AND OVERLAYING THE RELOCATABLE ELEMENTS OF THE TAX MODEL, 1976 TAX LAW. THIS SET OF INSTRUCTIONS INCLUDES BLKDATA/76 IN THE COLLECTION.
XQT77	CONTROL STREAM INSTRUCTIONS FOR COLLECTING AND OVERLAYING THE RELOCATABLE ELEMENTS OF THE TAX MODEL, 1977 TAX LAW. THIS SET OF INSTRUCTIONS INCLUDES BLKDATA/77 IN THE COLLECTION.

* CURRENTLY INACTIVE

ELEMENT NAME	FUNCTION
XQT78	CONTROL STREAM INSTRUCTIONS FOR COLLECTING AND OVERLAYING THE RELOCATABLE ELEMENTS OF THE TAX MODEL, 1978 TAX LAW. THIS SET OF INSTRUCTIONS INCLUDES BLKDATA/78 IN THE COLLECTION.
COVERP	SUBPROGRAM TO PRODUCE A COVER PAGE THAT PRECEEDS THE OUTPUT OF EACH TAX MODEL RUN.
UPDATE	PROGRAM TO UPDATE THE TABLEMAKER DIRECTORY
PACKER	ASSEMBLY SUBPROGRAM TO PACK THE INCOME TAX RETURN DATA IN PREPARING A PACKED DATA BASE.
YRTOAG	SUBPROGRAM FOR CONVERTING YEAR OF BIRTH TO AGE.
BURSET	SUBPROGRAM TO SET HYPOTHETICAL VALUES FOR AGI, DEDUCTIONS, AND EXEMPTIONS IN PRODUCING BURDEN TABLES.
BURTAB	SUBPROGRAM TO OUTPUT EACH LINE OF THE BURDEN TABLES.
TABOUT/VER3	SUBPROGRAM TO OUTPUT GENERALIZED TABLES.
HEAD/VER3	SUBPROGRAM TO PRODUCE TITLES AND COLUMN HEADINGS FOR THE TABLES PRODUCED BY TABOUT/VER3.
CENTER/VER3	SUBPROGRAM TO CENTER TITLES AND COLUMN HEADINGS FOR THE TITLES AND HEADINGS PRODUCED BY HEAD.
NERROR/VER3	SUBPROGRAM TO HANDLE ERRORS ENCOUNTERED BY TABOUT/VER3.
*UNPKERO	OLD UNPACKER SUBPROGRAM.
*SAMPLEO	OLD SAMPLE SUBPROGRAM.
RANDU	SUBROUTINE TO GENERATE RANDOM NUMBERS.
SHOREC	SUBROUTINE TO OUTPUT EACH DATA ITEM ON A TAX RETURN AND ITS DESCRIPTION.
75LABELS	'ADD' DECK CONTAINNING THE LABELS FOR OUTPUTING A TAX RETURN USING SUBROUTINE SHOREC.
LIST	'ADD' DECK CONTAINING CONTROL STREAM INSTRUCTIONS TO LIST THE ELEMENTS OF THE TAX MODEL FILE.
LISTING1	'ADD' DECK CONTAINING CONTROL STREAM INSTRUCTIONS TO LIST THE ELEMENTS OF PHASE I OF THE TAX MODEL FILE.
LISTING2	'ADD' DECK CONTAINING CONTROL STREAM INSTRUCTIONS TO LIST THE ELEMENTS OF PHASE II OF THE TX MODEL FILE.
LISTING3	'ADD' DECK CONTAINING CONTROL STREAM INSTRUCTIONS TO LIST THE ELEMENTS OF PHASE III OF THE TAX MODEL FILE.

* CURRENTLY INACTIVE

ELEMENT NAME	FUNCTION
LISTING4	'ADD' DECK CONTAINING CONTROL STREAM INSTRUCTIONS TO LIST THE MISCELLANEOUS ELEMENTS OF THE TAX MODEL FILE.

* CURRENTLY INACTIVE

APPENDIX A

A. 1975 TAX CALCULATOR. THE 1975 TAX CALCULATOR DIFFERS ONLY SLIGHTLY FROM THE 1973 TAX CALCULATOR AND IS ESSENTIALLY THE SAME AS IN VERSION 5 OF THE TAX MODEL. THE DIFFERENCES THAT DO EXIST ARE AS FOLLOWS:

SUBROUTINE DEDUCT HAS BEEN MODIFIED TO INCORPORATE NEW CALCULATIONS OF THE INVESTMENT INTEREST LIMITATION. THESE NEW CALCULATIONS EMPLOY ADDITIONAL DATA FROM THE SCI THAT WAS PREVIOUSLY UNAVAILABLE.

THE 'NO BENEFIT' RULE HAS BEEN MODIFIED SLIGHTLY IN AN ATTEMPT TO APPROXIMATE PROPOSED REGULATION 1.57-4.

THE CODING FOR THE MAXIMUM TAX HAS BEEN ALTERED SOMEWHAT TO INCORPORATE THE 5 YEAR AVERAGING OF PREFERENCES.

THE EARNED INCOME CREDIT CALCULATION WAS MODIFIED TO EMPLOY DEPENDENT CHILDREN AS A REQUISITE IN DETERMINING ELIGIBILITY FOR THE CREDIT. CHILDREN AT HOME AND AWAY FROM HOME EXEMPTIONS WERE NOT AVAILABLE ON THE 1973 DATA BASE BUT ARE AVAILABLE ON THE 1975 DATA BASE.

APPENDIX B.

B. SUBROUTINE UNPKER.

IN ORDER TO UNDERSTAND HOW SUBROUTINE UNPKER FUNCTIONS, CONSIDER THE ORIGINAL TAX MODEL DATA BASE WHICH CONSISTS OF ONE RECORD FOR EACH INDIVIDUAL INCOME TAX RETURN. EACH RECORD CONTAINS OVER 200 DATA ITEMS, SOME OF WHICH HAVE A VALUE OF ZERO. AFTER THE DATA ON EACH RECORD HAS BEEN "PACKED", A TYPICAL BLOCK OF DATA MIGHT APPEAR AS IN FIG. 5.B.1. SUBROUTINE SAMPLE INPUTS THIS BLOCK OF DATA INTO A STORAGE LOCATION OF 1792 WORDS AND CALLS SUBROUTINE UNPKER.

SUBROUTINE UNPKER ACCESSES THE FIRST WORD OF THE DATA BLOCK. THIS WORD CONTAINS A COUNT OF THE NUMBER OF "PACKED" RECORDS IN THE BLOCK, IN THIS EXAMPLE 12. NEXT, UNPKER CALCULATES THE NUMBER OF BIT MASK WORDS FROM THE RECORD LENGTH PROVIDED IN THE ARGUMENT LIST OF THE CALL TO UNPKER. FOR THE CURRENT SAMPLE, THE NEXT SIX WORDS WOULD BE BIT MASK WORDS. A DETAILED PICTURE OF THE FIRST BIT MASK WORD IN DATA RECORD 1 HAS BEEN PROVIDED IN INSERT A. EACH BIT OF THE BIT MASK WORD IS SET TO 0 IF A ZERO DATA ITEM WAS DELETED FROM THE PACKED RECORD OR TO A 1 IF A NON-ZERO ITEM IS INCLUDED IN THE PACKED RECORD. THUS, UNPKER PROCESSES THE BIT MASK BY BEGINNING WITH BIT 0. BIT 0 CORRESPONDS TO DATA ITEM 1 AND HAS A VALUE OF 1. THEREFORE, DATA ITEM 1 IS NON-ZERO AND IS CONTAINED IN THE PACKED RECORD AT A LOCATION 6+1 WORDS FROM THE FIRST BIT MASK WORD. IF IT IS ASSUMED THAT THE PACKED RECORD IS TO BE UNPACKED INTO AN ARRAY NAMED X, THEN UNPKER SETS X(1)=15.0. UNPKER MOVES NEXT TO BIT 1 WHICH CORRESPONDS TO DATA ITEM 2. SINCE BIT 1 IS ZERO, DATA ITEM 2 WAS NOT INCLUDED IN THE PACKED RECORD, THEREFORE, X(2)=0.0 BY DEFAULT. UNPKER CONTINUES WITH BITS 2 AND 3 WHICH ARE BOTH

```
+------+=============+=============+=============+========
|  12  |000002000421 |000000000000 |000000000000 |00000000
|      |            8|            8|            8|
+------+=============+=============+=============+========

|      |             |             |             |
|NUMBER|1ST BIT MASK |2ND BIT MASK |3RD BIT MASK |4TH BIT
|  OF  |WORD (1-36)  |WORD (37-72) |WORD(73-108) |WORD(109
|RECORD|<--------------- BIT MASK ----------------------
|/BLOCK|<-----------------------DATA RECORD 1 -----------
|<----------------------- BLOCK OF 12 DATA RECORDS ------

=====+=============+=============+--------+--------+-----
0000 |000000000000 |000000000000 |   15   |  -20   |   25
    8|            8|            8|        |        |
=====+=============+=============+--------+--------+-----

     |             |             |        |        |
MASK |5TH BIT MASK |6TH BIT MASK |VALUE OF|VALUE OF|VALUE
-144)|WORD(145-180)|WORD(181-216)| ITEM 1 | ITEM 5 | ITEM
---- BIT MASK ----------------->|<------ DATA VALUES ---
------------------- DATA RECORD 1 ---------------------
---------------- BLOCK OF 12 DATA RECORDS --------------

---+--------+=============+=============+========*
   |   30   |000000000000 |000000000000 |00000000*
   |        |            8|            8|        *
---+--------+=============+=============+========*

   |        |             |             |
 OF|VALUE OF|1ST BIT MASK |2ND BIT MASK |3RD BIT
 9 |ITEM 20 |WORD         |WORD         |WORD
----------->|<-------- BIT MASK ----------------
----------->|<--------- DATA RECORD 2 -----------
------------- BLOCK OF 12 DATA RECORDS ---------


 333333222222222211111111111
 543210987654321098765432109876543210
+-----------------------------------+
|000000000000000010000000000100010001|
+-----------------------------------+
 INSERT A: FIRST BIT MASK WORD IN
           DATA RECORD 1
```

FIG. 5.B.1: A HYPOTHETICAL BLOCK OF PACKED DATA

ZERO. THE NEXT BIT IS BIT 4 WHICH CORRESPONDS TO DATA ITEM 5 AND HAS A VALUE OF 1. SINCE DATA ITEM 5 IS NON-ZERO, IT IS INCLUDED IN THE PACKED RECORD AT A LOCATION 6+2 WORDS FROM THE BIRST BIT MASK WORD. HENCE, X(5)=-20.0. UNPKER CONTINUES IN THIS FASHION UNTIL ALL 36 BITS OF THE FIRST BIT MASK WORD HAVE BEEN PROCESSED. AT THE COMPLETION OF PROCESSING THE FIRST BIT MASK WORD, THE X ARRAY CONTAINS THE FOLLOWING VALUES:

X(1)	= 15.0	X(9)	= 25.0
X(2 THRU 4)	= 0.0	X(10 THRU 19)	= 0.0
X(5)	=-20.0	X(20)	= 30.0
X(6 THRU 8)	= 0.0	X(21 THRU 36)	= 0.0

UNPKER CONTINUES WITH THE SECOND BIT MASK WORD WHICH HAS BITS SET TO 0 OR 1 FOR DATA ITEMS 37 THRU 72. THE THIRD, FOURTH, FIFTH, AND SIXTH BIT MASK WORDS CONTAIN 0 OR 1 BITS FOR DATA ITEMS 73 THRU 108, DATA ITEMS 109 THRU 144, DATA ITEMS 145 THRU 180, AND DATA ITEMS 181 THRU 216 RESPECTIVELY.

AFTER THE FIRST PACKED DATA RECORD HAS BEEN UNPACKED, SUBROUTINE UNPKER MOVES TO THE SECOND PACKED DATA RECORD. THE SECOND PACKED RECORD BEGINS AT A LOCATION 8+N WORDS FROM THE BEGINNING OF THE BLOCK WHERE N IS THE NUMBER OF DATA ITEMS IN THE FIRST PACKED RECORD. IN THIS EXAMPLE, THE SECOND PACKED RECORD WOULD BEGIN 8+4=12 WORDS FROM THE BEGINNING OF THE BLOCK.

SUBROUTINE UNPKER CONTINUES IN THE ABOVE FASHION UNTIL ALL PACKED RECORDS HAVE BEEN UNPACKED, AND THEN BEGINS A NEW BLOCK OF DATA.

APPENDIX C

C. SUBROUTINE EXTEND.

MOST OF THE RESULTS GENERATED BY PHASE II OF THE TAX MODEL ARE TABULTAED BY SCHEDULE (SINGLE, MARRIED FILING JOINTLY AND MARRIED FILING SEPERATELY, AND HEAD OF HOUSEHOLD), BY TYPE OF DEDUCTION (ITEMIZED AND STANDARD), AND BY ADJUSTED GROSS INCOME CLASS. SINCE THERE ARE THREE SCHEDULES, TWO DEDUCTION TYPES, AND NINE ADJUSTED GROSS INCOME CLASSES,THE RESULTS CAN BE CONCEPTUALIZED AS FILLING THE THREE DIMENSIONAL SPACE ENCLOSED BY THE PERIMETER OF THE THREE DIMENSIONAL DIAGRAM ILLUSTRATED IN FIG. 5.C.1.

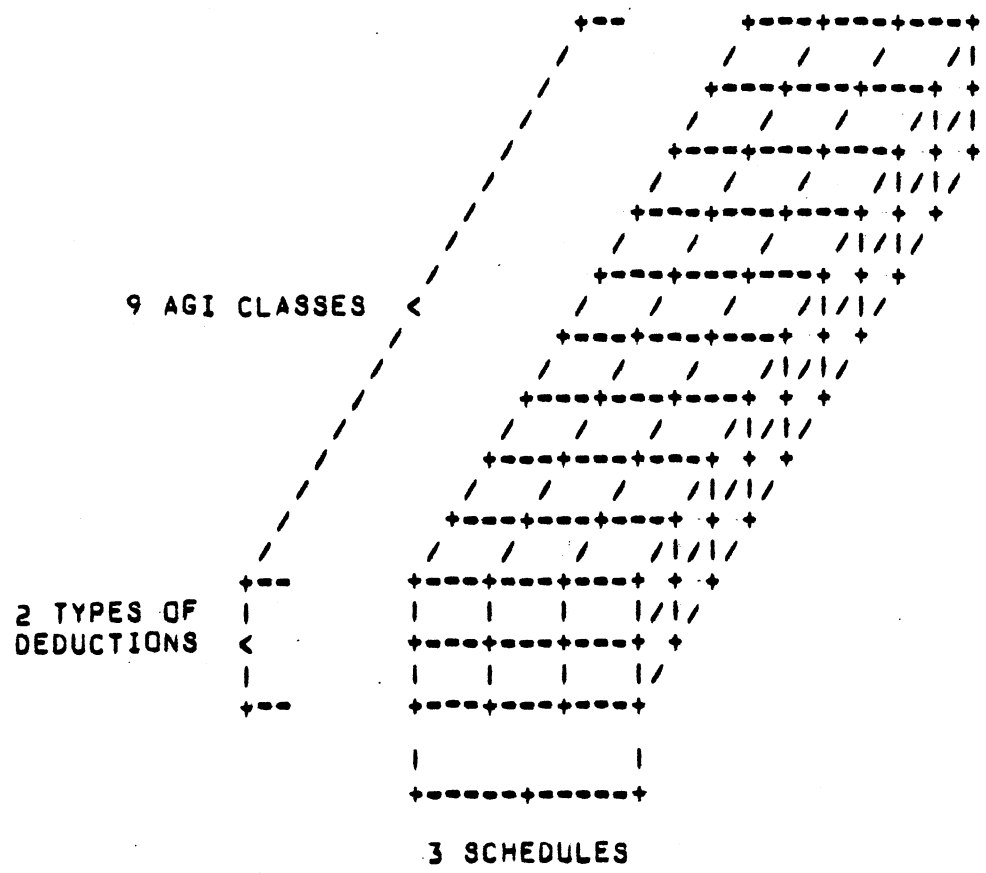

FIGURE 5.C.1: ORIGINAL ARRAY OF RESULTS

IT IS DESIRABLE TO HAVE SUMMARY MEASURES OF THESE RESULTS AS WELL AS THE DISAGGREGATED RESULTS. SPECIFICALLY, IT WOULD BE CONVIENT TO HAVE THE RESULTS TABULATED FOR BOTH TYPES OF DEDUCTIONS BY SCHEDULE FOR EACH ADJUSTED GROSS INCOME CLASS. IN ADDITION, A SUMMARY OF ALL SCHEDULES BY TYPE OF DEDUCTION AND BOTH TYPES OF DEDUCTIONS, IS DESIRABLE FOR EACH ADJUSTED GROSS INCOME CLASS. LASTLY, A SUMMARY OF ALL ADJUSTED GROSS INCOME CLASSES BY SCHEDULE AND BY ALL SCHEDULES IS NEEDED. TO ACCOMPLISH THIS, THE THREE DIMENSIONAL SPACE FILLED BY THE DISAGGREGATED RESULTS MUST BE EXTENDED AS ILLUSTRATED IN FIG. 5.C.2 TO ALLOW FOR THE COMPUTED SUMMARY RESULTS.

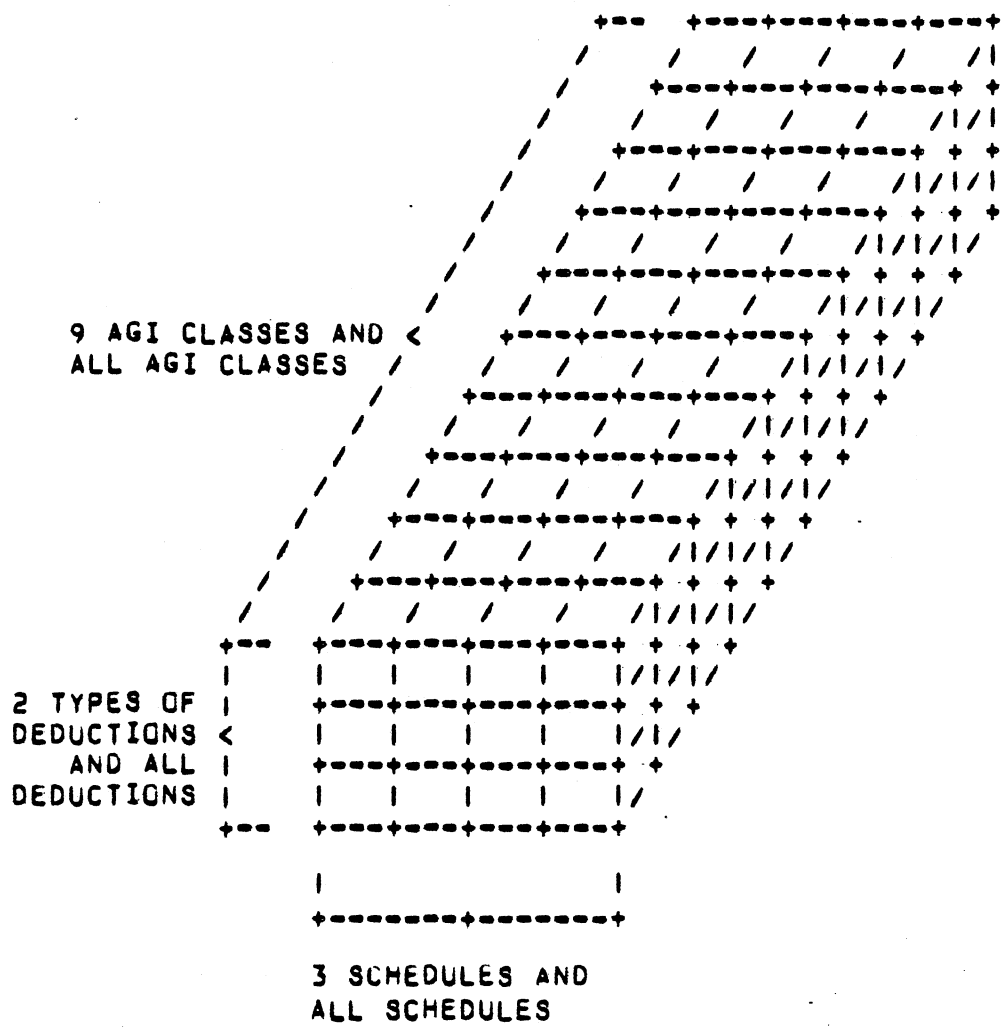

FIGURE 5.C.2: EXTENDED ARRAY OF RESULTS

APPENDIX D

D. THE OVERLAY MAP OF XQT75.

THE ELEMENT XQT75 CONTAINS THE CONTROL STREAM STATEMENTS USED TO COMBINE THE RELOCATABLE ELEMENTS INTO AN ABSOLUTE ELEMENT. RATHER THAN COMBINNING ALL OF THE RELOCATABLE ELEMENTS INTO ONE ABSOLUTE ELEMENT, XQT75 IS SEGMENTED TO PRODUCE SEVERAL ABSOLUTE ELEMENTS. EACH ABSOLUTE ELEMENT OVERLAYS A PART OF OR ALL OF THE PREVIOUS ABSOLUTE ELEMENT AS SHOWN IN FIG. 5.D.1 AND FIG. 5.D.2.

IBANK DRAWN TO SCALE: 200 WORDS DECIMAL PER DASH

```
CONTRL (3445)
-----------------
                  MAIN3* (1421)
                  -------
                         TAB1* (567)
                         ---
                         STORE* (271)
                         --
                         TAB2* (599)
                         ---
                         TAB3* (746)
                         ----
                         TAB4* (741)
                         ----
                         TAB5* (248)
                         --
                         TAB6* (647)
                         ----
                         TAB7* (813)
                         ----
                         TAB1A* (276)
                         --
                         TAB1B* (209)
                         -
                  DATA1* (1485)
                  --------
                          MAIN2* (4833)
                          ------------------------
                          MAIN1* (3656)
                          -----------------
```

FIGURE 5.D.1: IBANK OVERLAY OF XQT75

```
DBANK DRAWN TO SCALE:    300 WORDS DECIMAL PER DASH

CONTRL (3063)
----------
          MAIN3* (1615)
          -----
               TAB1* (335)
               -
               STORE* (54)
               -
               TAB2* (328)
               -
               TAB3* (489)
               --
               TAB4* (349)
               -
               TAB5* (205)
               -
               TAB6* (254)
               -
               TAB7* (285)
               -
               TAB1A* (178)
               -
               TAB1B* (283)
               -
                 DATA3* (5520)
                 -----------------
          DATA1* (4549)
          --------------
                         MAIN2* (4702)
                         ---------------
                                         DATA2* (3357)
                                         -----------
                         MAIN1* (2101)
                         -------
```

FIGURE 5.D.2: DBANK OVERLAY OF XQT75

APPENDIX E

E. THE 1978 TAX CALCULATOR.

THIS APPENDIX IS INTENDED TO MAKE ALL CONCERNED AWARE OF THE STATUS OF EACH PROVISION OF THE 1978 TAX ACT AS REFLECTED IN THE 1978 TAX CALCULATOR.

PROVISIONS ACCOUNTED FOR IN THE MODEL OR DATA BASE:

- FLAT STANDARD DEDUCTION OF 2200/3200/2200
- CONVERSION OF 9-12 MONTH LONG TERM GAINS INTO SHORT TERM GAINS
- CAPITAL LOSS LIMITATION OF $3,000
- ALIMONY PAID MOVED ABOVE THE LINE
- REPEAL OF SICK PAY FOR THOSE WHO ARE NOT PERMANENTLY DISABLED
  PHASEOUT OF SICK PAY FOR THE PERMANENTLY DISABLED AT $15,000 AGI
- REPEAL OF CHILD CARE DEDUCTION AND ALIMONY DEDUCTION
- ITEMIZED DEDUCTIONS IN EXCESS OF 60% OF AGI ARE AN ADDITIONAL PREFERENCE ITEM
- MAXIMUM TAX IS CALCULATED USING PERSONAL SERVICE INCOME, IE. EARNED INCOME PLUS PENSIONS
- REPEAL FLOOR ON PREFERENCE INCOME REDUCING THE MAXIMUM TAX
- REPEAL OF 5 YEAR AVERAGING OF PREFERENCE INCOME
- EXEMPTION CREDIT EXTENDED TO AGED AND BLIND
- OPTIONAL TAXABLE INCOME CREDIT DISALLOWED FOR MARRIED FILING SEPARATE
- CHILD CARE CREDIT OF 20% OF REPORTED CHILD CARE EXPENSES UP TO A MAXIMUM OF $2,000 FOR THE FIRST DEPENDENT AND $4,000 FOR 2 OR MORE DEPENDENTS
- INVESTMENT INTEREST EXPENSE LIMITATION PER 1978 LAW
- MINIMUM TAX IS 15% OF PREFERENCES IN EXCESS OF THE LARGER OF $10,000 OR 1/2 OF THE TENATIVE TAX AFTER CREDITS
- IMPUTATION TO CORRECT EXISTING CHILD CARE EXPENSE
- IMPUTATION OF ITEMIZED DEDUCTIONS TO STANDARD DEDUCTIONS
- THE 'NO-BENEFIT' RULE
- CREDIT FOR THE ELDERLY

PROVISIONS NOT ACCOUNTED FOR IN THE MODEL OR DATA BASE

- POLITICAL CAMPAIGN CONTRIBUTIONS DEDUCTION AND CREDIT
- INVESTMENT TAX CREDIT

6. A DESCRIPTION OF THE TAX MODEL INPUT PARAMETERS.

6.1. A GENERAL OVERVIEW.

THE TAX MODEL PROGRAM PROCESSES SEVERAL DIFFERENT TYPES OF DATA CARDS. SOME OF THE DATA CARDS FOLLOW THE OLD CONVENTION OF ASSIGNNING AN IDENTIFYING NUMBER CONSISTING OF THREE INTEGER DIGITS TO EACH CARD. IN THE DOCUMENTATION THAT FOLLOWS, THE FIRST DIGIT WILL BE REFERRED TO AS THE PART NUMBER, THE SECOND DIGIT AS THE SECTION NUMBER, AND THE THIRD DIGIT AS THE IDENT NUMBER. THESE THREE DIGITS APPEAR, RIGHT JUSTIFIED, IN THE FIRST THREE FIELDS OF FOUR COLUMNS EACH ON SOME DATA INPUT CARDS, AS ILLUSTRATED IN FIG. 6.1.1. THE DATA CARDS WHICH DO NOT CONTAIN IDENTIFYING NUMBERS ARE OF THE 'NAMELIST' OR FREE FORMAT VARIETY.

```
+-------------------------------------------------------------
|            111 1111112222222223333333333444444444455555555
|1234 5678 9012 3456789012345678901234567890123456789012345 67
+-------------------------------------------------------------
|PART|SECT|IDEN|              DATA
| NO | NO | NO |
```

FIG. 6.1.1: DATA CARD INPUT FORMAT

EACH PARAMETER INPUT CARD PROVIDES DATA FOR DIFFERENT BROAD CATEGORIES OF VARIABLES EMPLOYED IN THE TAX MODEL. CARDS CONTAINNING A PART NUMBER OF ONE PROVIDE GENERAL INFORMATION FOR VARIOUS PURPOSES, SUCH AS EDITING THE OUTPUT, DEFINING STUB CHANGES, EMPLOYING AN OPTION, ETC. CARDS WITHOUT A PART NUMBER PROVIDE DATA ON A SPECIFIC TAX PLAN AND MAY CONTAIN INFORMATION ON TAX SCHEDULES, THE LEVEL OF EXEMPTION ALLOWANCES, OR VARIOUS OTHER TAX PARAMETERS.

AN EXAMINATION OF THE GENERAL STRUCTURE OF THE INPUT DECK ILLUSTRATED IN FIG. 6.1.2 REVEALS THAT A MINIMUM OF 5 CARDS ARE NEEDED TO PRODUCE A RUN. SINCE THE TAX MODEL ASSUMES THAT THE TAX PARAMETERS FOR TWO PLANS ARE IDENTICAL (I.E., PLAN X = PLAN Y), AN INPUT DECK CONSISTING OF THE REQUIRED CARDS WILL PRODUCE ONLY TABLE 1A. THE OPTIONAL CARDS SHOULD BE INCLUDED WHEN ADDITIONAL TABLES ARE DESIRED AND WHEN THE USER DESIRES TO MODIFY ONE OF THE TAX PLANS SO THAT THE TAX PARAMETERS OF PLAN Y ARE DIFFERENT FROM THE TAX PARAMETERS OF PLAN X.

```
+-------------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------------
| $SAMPLE    $END REQUIRED  $SAMPLE CARD
|   1    1   0    REQUIRED  GENERAL LOGIC
|              --+
|                |
|                > OPTIONAL  OTHER PART 1 CARDS
|                |
|              --+
|TITLEX           REQUIRED  TITLE FOR PLAN X
|TITLEY           REQUIRED  TITLE FOR PLAN Y
| $CHANGE $END    REQUIRED  $CHANGE CARD
|              --+
|                |
|                > OPTIONAL  $PLNX, Y, Z & $RATES CARDS
|                |
|              --+
```

FIG 6.1.2: GENERAL STRUCTURE OF AN INPUT DECK

6.2. GENERAL LOGIC & EDITING DATA CARDS.

6.2.1. THE $SAMPLE CARD.

THIS CARD WAS PREVIOUSLY CALLED THE 100 CARD. THIS INPUT CARD SPECIFIES INFORMATION CONCERNING THE DATA FILE THAT WILL BE PROCESSSED, WHAT YEAR THE DATA FILE SHOULD REPRESENT, HOW MANY RETURNS ARE TO BE PROCESED, AND -WHEN THE NEW I/O ROUTINE IS IMPLEMENTED-- WHAT ADDITIONAL VARIABLES NOT CONTAINED IN THE BASIC DATA FILE ARE REQUIRED. THE FORMAT FOR THIS CARD IS 'FREE FORMAT' WITHIN THE RESTRICTIONS OF A NAMELIST READ. A GENERALIZED EXAMPLE CARD IS ILLUSTRATED IN FIG. 6.2.1.

```
+-------------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------------
| $SAMPLE NYEAR=1975, NRET=50000, NLEV=1975, NSTOP=0,

---------------------+
66666666677777777778|
12345678901234567890|
---------------------+
                     |


+-------------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------------
|  NMAPD=0, NMAPM=0, MAPD(1)=57,58,59, MAPM(1)=1,2,3,4,

---------------------+
66666666677777777778|
12345678901234567890|
---------------------+
 $END                |
```

FIG. 6.2.1: A GENERAL SAMPLE CARD FORMAT

WHERE NYEAR = THE YEAR THE TAX FILE SAMPLE WAS CREATED.
NRET = THE NUMBER OF PHYSICAL RETURNS IN THE SAMPLE.
NLEV = THE PROJECTED YEAR THAT THE TAX FILE SAMPLE SHOULD REPRESENT.
NSTOP = THE NUMBER OF RETURNS TO BE PROCESSED. IF LEFT UNSPECIFIED, ALL OF THE RETURNS WILL BE PROCESSED.

THE FOLLOWING MUST BE SPECIFIED ONLY IF ADDITIONAL VARIABLES NOT CONTAINED IN THE BASIC DATA FILE ARE REQUIRED.

```
              +--
              | C>0  C ADDITIONAL VARIABLES BEGINNING WITH
              |      THE 68TH VARIABLE IN THE 'D' ARRAY ARE
              |      TO BE INPUTTED.
      NMAPD  =< 113  ALL THE REMAINNING VARIABLES IN THE 'D'
              |      ARRAY ARE TO BE INPUTTED.
              |  0   AS MANY VARIABLES FROM THE 'D' ARRAY AS
              |      ARE SPECIFIED IN MAPD.
              +--

              +--
              | C>0  C ADDITIONAL VARIABLES BEGINNING WITH
              |      THE 1ST VARIABLE IN THE 'MM' ARRAY ARE
              |     TO BE INPUTTED.
      NMAPM  =<  47 ALL THE ADDITIONAL VARIABLES IN THE 'MM'
              |     ARRAY ARE TO BE INPUTTED.
              |  0  AS MANY VARIABLES FROM THE 'MM' ARRAY AS
              |     ARE SPECIFIED IN MAPM.
              +--

      MAPD   = THE SUBSCRIPTS FOR THE ADDITIONAL VARIABLES
               THAT ARE TO BE INPUTTED FROM THE 'D' ARRAY.
               THIS IS REQUIRED ONLY WHEN NMAPD=0.
      MAPM   = THE SUBSCRIPTS FOR THE ADDITIONAL VARIABLES
               THAT ARE TO BE INPUTTED FROM THE 'MM' ARRAY.
               THIS IS REQUIRED ONLY WHEN NMAPM=0.
```

6.2.2. CARD NUMBER 110: GENERAL LOGIC SWITCHES.

THE FUNCTION OF THIS INPUT CARD IS TO SPECIFY VALUES FOR TWENTY LOGIC SWITCHES WHICH ARE EMPLOYED BY THE TAX MODEL IN DETERMINING WHAT SEGMENTS OF THE PROGRAM WILL BE PERFORMED. EACH LOGIC SWITCH AND ITS ASSOCIATED VALUES ARE DESCRIBED IN TABLE 6.2.1. THE FORMAT FOR THIS CARD IS PRESENTED IN FIG. 6.2.2 BELOW.

```
+-------------------------------------------------------------
|         1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------
|   1   1   0   |<--20 LOGIC SW-->|
```

FIG. 6.2.2: GENERAL LOGIC SWITCHES CARD FORMAT

TABLE 6.2.1: GENERAL LOGIC SWITCHES

LOGIC SWITCH NUMBER	COLUMN NUMBER	FUNCTION	REQ'D DATA CARD	CARD NUMBER
01	16	RESERVED FOR FUTURE USE		
02	17	RESERVED FOR FUTURE USE		
03	18	RESERVED FOR FUTURE USE		
04	19	CONTROLS THE READING OF LABELS FOR THE DISPLAY OF A RETURN		
		0= NO LABELS ARE TO BE READ	N	
		1= LABELS ARE TO BE READ	N	
05	20	RESERVED FOR FUTURE USE		
06	21	RESERVED FOR FUTURE USE		
07	22	ALLOWS THE USER TO REDEFINE AGI CLASS BREAKPOINTS OR TO SELECT OPTIONAL AGI CLASS BREAKPOINTS (THESE ARE USED TO INDEX THE OUTPUT TABLES)		
		0= THE EXISTING AGI CLASS BREAKPOINTS OF 6.2.12 ARE TO BE EMPLOYED	N	
		1= NEW AGI CLASS BREAKPOINTS WILL BE DEFINED	Y	127
		2= HIGH OPTION AGI CLASS BREAKPOINTS ARE TO BE EMPLOYED	N	
		3= LOW OPTION AGI CLASS BREAKPOINTS ARE TO BE EMPLOYED	N	
		4= PRE-1975 AGI CLASS BREAKPOINTS ARE TO BE EMPLOYED	N	
08	23	RESERVED FOR FUTURE USE		

TABLE 6.2.1: GENERAL LOGIC SWITCHES

LOGIC SWITCH NUMBER	COLUMN NUMBER	FUNCTION	REQ'D DATA CARD	CARD NUMBER
09	24	SELECTS THE SOURCE DEFINITION OF AGI OR INCOME USED IN INDEXING THE OUTPUT TABLES		
		0= SOURCE IS THE AGI OR INCOME DEFINITION OF PRESENT LAW	N	
		1= SOURCE IS THE AGI OR INCOME DEFINITION IN PLAN X	N	
		2= SOURCE IS THE AGI OR INCOME DEFINITION IN PLAN Y.	N	
		3= SOURCE IS REALIZED HOUSEHOLD INCOME	N	
		4= SOURCE IS EXPANDED INCOME	N	
10	25	MERGE FILE INDICATOR		
		0= PRODUCTION DATA FILE (DEFAULT)	N	
		1= MERGED DATA FILE	N	
11	26	CONTROLS THE COMPUTATION OF TABLE 1 (THIS TABLE MAY BE 120 PAGES LONG)		
		0= DO NOT COMPUTE TABLE 1	N	
		1= COMPUTE TABLE 1 USING THE BREAKPOINTS FROM 6.2.9	Y	111,112
		2= COMPUTE TABLE 1 BUT USING THE USER SUPPLIED BREAKPOINTS	Y	111,112 121,122
12	27	CONTROLS THE COMPUTATION OF TABLE 2 (THIS TABLE MAY BE 120 PAGES LONG)		
		0=DO NOT COMPUTE TABLE 2	N	
		1=COMPUTE TABLE 2 USING THE BREAKPOINTS FROM 6.2.10	Y	113,114
		2= COMPUTE TABLE 2 BUT USING THE USER SUPPLIED BREAKPOINTS	Y	113,114 123,124 125
13	28	CONTROLS THE COMPUTATION OF TABLE 3 (THIS TABLE MAY BE 12 PAGES LONG)		
		0= DO NOT COMPUTE TABLE 3	N	
		1= COMPUTE TABLE 3	Y	115

TABLE 6.2.1: GENERAL LOGIC SWITCHES

LOGIC SWITCH NUMBER	COLUMN NUMBER	FUNCTION	REQ'D DATA CARD	CARD NUMBER
14	29	CONTROLS THE COMPUTATION OF TABLE 4 (THIS TABLE MAY BE 12 PAGES LONG)		
		0= DO NOT COMPUTE TABLE 4	N	
		1= COMPUTE TABLE 4	Y	116
15	30	SELECTS THE PLAN USED IN COMPUTING TABLE 6	N	
		0 = PLAN Y		
		1 = PLAN X		
16	31	CONTROLS THE COMPUTATION OF TABLE 6 (THIS TABLE MAY BE 40 PAGES LONG)		
		0=DO NOT COMPUTE TABLE 6	N	
		1= COMPUTE TABLE 6	Y	117
17	32	CONTROLS THE COMPUTATION OF TABLE 7 (THIS TABLE MAY BE 60 PAGES LONG)		
		0= DO NOT COMPUTE TABLE 7	N	
		1= COMPUTE TABLE 7 USING THE BREAK-POINTS FROM 6.2.11	Y	118
		2= COMPUTE TABLE 7 USING THE USER SUPPLIED BREAKPOINTS	Y	118,126
18	33	CONTROLS THE CALCULATION OF PLAN X		
		0= DO NOT COMPUTE PLAN X (DEFAULT)	N	
		1= COMPUTE PLAN X	N	
19	34	CONTROLS THE CALCULATION OF BURDEN TABLES		
		0= DO NOT COMPUTE BURDEN TABLES (DEFAULT)	N	
		1= COMPUTE BURDEN TABLES USING THE PRE-SET OPTIONS FOR THE VARIOUS PARAMETERS	N	
		2= COMPUTE BURDEN TABLES USING THE USER SUPPLIED PARAMETERS (SEE SECTION 8.6 FOR DETAILS ON USAGE)	Y	$BURDEN

TABLE 6.2.1: GENERAL LOGIC SWITCHES

LOGIC SWITCH NUMBER	COLUMN NUMBER	FUNCTION	REQ'D DATA CARD	CARD NUMBER
20	35	STORES TAX MODEL RESULTS FROM TABLES 1A AND 5		
		0= DO NOT STORE RESULTS	N	
		1= STORE THE RESULTS	Y	130,131 132,133

6.2.3. CARD NUMBERS 111 & 112: TABLE 1 PRINT CONTROL.

BOTH OF THESE INPUT CARDS ARE OPTIONAL UNLESS THE VALUE ASSIGNED TO LOGIC SWITCH NUMBER 11 ON CARD 110 IS A 1 OR A 2. SINCE THE OUTPUT OF TABLE 1 MAY BE UP TO 120 PAGES IN LENGTH, THIS CARD SPECIFIES WHICH PAGES OF THE OUTPUT WILL BE PRINTED. ANY INDIVIDUAL PAGE OF THE OUTPUT CONTAINS DISTRIBUTIONAL STATISTICS CLASSIFIED BY AGI CLASS, BY TYPE OF DEDUCTION, AND BY TAX SCHEDULE. IN TABLE 6.2.2 WHERE THE CLASSIFICATION THAT APPLIES TO EACH PAGE IS PRESENTED, EACH PRINT SWITCH NUMBER IS IDENTICAL WITH THE PAGE NUMBER FOR TABLE 1. FOR EACH PAGE THAT IS DESIRED FROM TABLE 1, THE USER MUST ASSIGN THE CORRESPONDING PRINT CONTROL SWITCH A VALUE OF 1, OTHERWISE, THAT PAGE WILL NOT BE PRINTED. CARD NUMBER 111 CONTAINS THE PRINT CONTROL SWITCHES FOR THE FIRST 60 PAGES OF TABLE 1 AND CARD NUMBER 112 CONTAINS THE PRINT CONTROL SWITCHES FOR THE LAST 60 PAGES AS SHOWN IN FIG. 6.2.3.

```
+-------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------
|    1    1    1<------------------SWITCHES 1-60 --------------
|    1    1    2<----------------SWITCHES 61-120 --------------
|

--------------------+
66666666677777777778|
12345678901234567890|
--------------------+
----------->        |
----------->        |
                    |
```

FIG. 6.2.3: TABLE 1 PRINT CONTROL SWITCH FORMAT

TABLE 6.2.2: PRINT CONTROL SWITCHES FOR TABLE 1

PRINT SWITCH	CARD COLUMN	AGI CLASS	TYPE OF DEDUCTION	SCHEDULE
1	13	****- 5	ITEMIZED	SINGLE
2	14	****- 5	ITEMIZED	MARRIED
3	15	****- 5	ITEMIZED	HEAD HH
4	16	****- 5	ITEMIZED	ALL SCHD
5	17	****- 5	STANDARD	SINGLE
6	18	****- 5	STANDARD	MARRIED
7	19	****- 5	STANDARD	HEAD HH
8	20	****- 5	STANDARD	ALL SCHD
9	21	****- 5	BOTH	SINGLE
10	22	****- 5	BOTH	MARRIED
11	23	****- 5	BOTH	HEAD HH
12	24	****- 5	BOTH	ALL SCHD
13	25	5 - 10	ITEMIZED	SINGLE
14	26	5 - 10	ITEMIZED	MARRIED
15	27	5 - 10	ITEMIZED	HEAD HH
16	28	5 - 10	ITEMIZED	ALL SCHD
17	29	5 - 10	STANDARD	SINGLE
18	30	5 - 10	STANDARD	MARRIED
19	31	5 - 10	STANDARD	HEAD HH
20	32	5 - 10	STANDARD	ALL SCHD
21	33	5 - 10	BOTH	SINGLE
22	34	5 - 10	BOTH	MARRIED
23	35	5 - 10	BOTH	HEAD HH
24	36	5 - 10	BOTH	ALL SCHD
25	37	10 - 15	ITEMIZED	SINGLE
26	38	10 - 15	ITEMIZED	MARRIED
27	39	10 - 15	ITEMIZED	HEAD HH
28	40	10 - 15	ITEMIZED	ALL SCHD
29	41	10 - 15	STANDARD	SINGLE
30	42	10 - 15	STANDARD	MARRIED
31	43	10 - 15	STANDARD	HEAD HH
32	44	10 - 15	STANDARD	ALL SCHD
33	45	10 - 15	BOTH	SINGLE
34	46	10 - 15	BOTH	MARRIED
35	47	10 - 15	BOTH	HEAD HH
36	48	10 - 15	BOTH	ALL SCHD
37	49	15 - 20	ITEMIZED	SINGLE
38	50	15 - 20	ITEMIZED	MARRIED
39	51	15 - 20	ITEMIZED	HEAD HH
40	52	15 - 20	ITEMIZED	ALL SCHD

*** MEANS WITHOUT LIMIT

TABLE 6.2.2: PRINT CONTROL SWITCHES FOR TABLE 1

PRINT SWITCH	CARD COLUMN	AGI CLASS	TYPE OF DEDUCTION	SCHEDULE
41	53	15 - 20	STANDARD	SINGLE
42	54	15 - 20	STANDARD	MARRIED
43	55	15 - 20	STANDARD	HEAD HH
44	56	15 - 20	STANDARD	ALL SCHD
45	57	15 - 20	BOTH	SINGLE
46	58	15 - 20	BOTH	MARRIED
47	59	15 - 20	BOTH	HEAD HH
48	60	15 - 20	BOTH	ALL SCHD
49	61	20 - 30	ITEMIZED	SINGLE
50	62	20 - 30	ITEMIZED	MARRIED
51	63	20 - 30	ITEMIZED	HEAD HH
52	64	20 - 30	ITEMIZED	ALL SCHD
53	65	20 - 30	STANDARD	SINGLE
54	66	20 - 30	STANDARD	MARRIED
55	67	20 - 30	STANDARD	HEAD HH
56	68	20 - 30	STANDARD	ALL SCHD
57	69	20 - 30	BOTH	SINGLE
58	70	20 - 30	BOTH	MARRIED
59	71	20 - 30	BOTH	HEAD HH
60	72	20 - 30	BOTH	ALL SCHD
61	13	30 - 50	ITEMIZED	SINGLE
62	14	30 - 50	ITEMIZED	MARRIED
63	15	30 - 50	ITEMIZED	HEAD HH
64	16	30 - 50	ITEMIZED	ALL SCHD
65	17	30 - 50	STANDARD	SINGLE
66	18	30 - 50	STANDARD	MARRIED
67	19	30 - 50	STANDARD	HEAD HH
68	20	30 - 50	STANDARD	ALL SCHD
69	21	30 - 50	BOTH	SINGLE
70	22	30 - 50	BOTH	MARRIED
71	23	30 - 50	BOTH	HEAD HH
72	24	30 - 50	BOTH	ALL SCHD
73	25	50 - 100	ITEMIZED	SINGLE
74	26	50 - 100	ITEMIZED	MARRIED
75	27	50 - 100	ITEMIZED	HEAD HH
76	28	50 - 100	ITEMIZED	ALL SCHD
77	29	50 - 100	STANDARD	SINGLE
78	30	50 - 100	STANDARD	MARRIED
79	31	50 - 100	STANDARD	HEAD HH
80	32	50 - 100	STANDARD	ALL SCHD

*** MEANS WITHOUT LIMIT

TABLE 6.2.2: PRINT CONTROL SWITCHES FOR TABLE 1

PRINT SWITCH	CARD COLUMN	AGI CLASS	TYPE OF DEDUCTION	SCHEDULE
81	33	50 - 100	BOTH	SINGLE
82	34	50 - 100	BOTH	MARRIED
83	35	50 - 100	BOTH	HEAD HH
84	36	50 - 100	BOTH	ALL SCHD
85	37	100 - 200	ITEMIZED	SINGLE
86	38	100 - 200	ITEMIZED	MARRIED
87	39	100 - 200	ITEMIZED	HEAD HH
88	40	100 - 200	ITEMIZED	ALL SCHD
89	41	100 - 200	STANDARD	SINGLE
90	42	100 - 200	STANDARD	MARRIED
91	43	100 - 200	STANDARD	HEAD HH
92	44	100 - 200	STANDARD	ALL SCHD
93	45	100 - 200	BOTH	SINGLE
94	46	100 - 200	BOTH	MARRIED
95	47	100 - 200	BOTH	HEAD HH
96	48	100 - 200	BOTH	ALL SCHD
97	49	200 -****	ITEMIZED	SINGLE
98	50	200 -****	ITEMIZED	MARRIED
99	51	200 -****	ITEMIZED	HEAD HH
100	52	200 -****	ITEMIZED	ALL SCHD
101	53	200 -****	STANDARD	SINGLE
102	54	200 -****	STANDARD	MARRIED
103	55	200 -****	STANDARD	HEAD HH
104	56	200 -****	STANDARD	ALL SCHD
105	57	200 -****	BOTH	SINGLE
106	58	200 -****	BOTH	MARRIED
107	59	200 -****	BOTH	HEAD HH
108	60	200 -****	BOTH	ALL SCHD
109	61	ALL	ITEMIZED	SINGLE
110	62	ALL	ITEMIZED	MARRIED
111	63	ALL	ITEMIZED	HEAD HH
112	64	ALL	ITEMIZED	ALL SCHD
113	65	ALL	STANDARD	SINGLE
114	66	ALL	STANDARD	MARRIED
115	67	ALL	STANDARD	HEAD HH
116	68	ALL	STANDARD	ALL SCHD
117	69	ALL	BOTH	SINGLE
118	70	ALL	BOTH	MARRIED
119	71	ALL	BOTH	HEAD HH
120	72	ALL	BOTH	ALL SCHD

*** MEANS WITHOUT LIMIT

6.2.4. CARD NUMBERS 113 & 114: TABLE 2 PRINT CONTROL.

BOTH OF THESE INPUT CARDS ARE OPTIONAL UNLESS THE VALUE ASSIGNED TO LOGIC SWITCH NUMBER 12 ON CARD 110 IS A 1 OR A 2. THE DOCUMENTATION FOR THESE CARDS IS IDENTICAL TO THAT IN 6.2.3 WHEN CARD NUMBERS 113 AND 114 ARE SUBSTITUTED FOR CARD NUMBERS 111 AND 112 AND WHEN TABLE 2 IS SUBSTITUTED FOR TABLE 1.

6.2.5. CARD NUMBER 115: TABLE 3 PRINT CONTROL.

THIS INPUT CARD IS OPTIONAL UNLESS THE VALUE ASSIGNED TO LOGIC SWITCH NUMBER 13 ON CARD 110 IS A 1. EACH PAGE OF STATISTICS IN THIS TABLE ARE CLASSIFIED BY TYPE OF DEDUCTION AND BY TAX SCHEDULE. TABLE 6.2.3 DISPLAYS THE CLASSIFICATION CORRESPONDING TO EACH PAGE OF THE TABLE 3 OUTPUT. AS BEFORE, THE PRINT CONTROL SWITCH NUMBER IS IDENTICAL WITH THE PAGE NUMBER AND MUST BE ASSIGNED A VALUE OF 1 FOR EACH PAGE OF TABLE 3 THAT IS TO BE INCLUDED IN THE OUTPUT. THE FORMAT THAT IS EMPLOYED FOR THIS CARD IS SHOWN IN FIG. 6.2.4.

```
+-------------------------------------------------------------------
|         1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------------
|   1   1   5<- 12 SW'S->
|
```

FIG. 6.2.4: TABLE 3 PRINT CONTROL SWITCH FORMAT

TABLE 6.2.3: PRINT CONTROL SWITCHES FOR TABLE 3

PRINT SWITCH	CARD COLUMN	TYPE OF DEDUCTION	SCHEDULE
1	13	ITEMIZED	SINGLE
2	14	ITEMIZED	MARRIED
3	15	ITEMIZED	HEAD OF HOUSEHOLD
4	16	ITEMIZED	ALL SCHD.
5	17	STANDARD	SINGLE
6	18	STANDARD	MARRIED
7	19	STANDARD	HEAD OF HOUSEHOLD
8	20	STANDARD	ALL SCHD.
9	21	BOTH	SINGLE
10	22	BOTH	MARRIED
11	23	BOTH	HEAD OF HOUSEHOLD
12	24	BOTH	ALL SCHD.

6.2.6. CARD NUMBER 116: TABLE 4 PRINT CONTROL.

THIS INPUT CARD IS OPTIONAL UNLESS THE VALUE ASSIGNED TO LOGIC SWITCH NUMBER 14 ON CARD 110 IS A 1. THE DOCUMENTATION FOR THIS CARD IS IDENTICAL TO THAT IN 6.2.5 WHEN CARD NUMBER 116 IS SUBSTITUTED FOR CARD NUMBER 115 AND WHEN TABLE 4 IS SUBSTITUTED FOR TABLE 3.

6.2.7. CARD NUMBER 117: TABLE 6 PRINT CONTROL.

THIS CARD IS OPTIONAL UNLESS THE VALUE ASSIGNED TO LOGIC SWITCH NUMBER 16 ON CARD 110 IS A 1. THE STATISTICS COMPUTED FOR TABLE 6 ARE CLASSIFIED BY AGI CLASS AND BY TAX SCHEDULE. EACH PRINT CONTROL SWITCH NUMBER IN TABLE 6.2.4 IS IDENTICAL TO THE TABLE 6 PAGE NUMBER AND MUST BE ASSIGNED A VALUE OF 1 FOR EACH PAGE THAT IS TO BE PRINTED IN THE TABLE 6 OUTPUT. THE 40 PRINT CONTROL SWITCHES APPEAR ON THE INPUT CARD AS SHOWN IN FIG. 6.2.5.

```
+-------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------
|   1   1   7<-----------SWITCHES 1-40 ------------>
|
```

FIG. 6.2.5: TABLE 6 PRINT CONTROL SWITCHES FORMAT

6.2.8. CARD NUMBER 118: TABLE 7 PRINT CONTROL.

THIS CARD IS OPTIONAL UNLESS THE VALUE ASSIGNED TO LOGIC SWITCH NUMBER 16 ON CARD 110 IS A 1 OR A 2. THE STATISTICS PRESENTED IN TABLE 7 ARE CLASSIFIED BY INCOME CONCEPT, BY AGI CLASS AND BY TAX SCHEDULE. TABLE 6.2.5 PRESENTS THE CLASSIFICATIONS FOR EACH PAGE OF TABLE 7. AS BEFORE, THE PRINT SWITCH NUMBER, WHICH IS THE SAME AS THE TABLE 7 PAGE NUMBER, MUST BE ASSIGNED A VALUE OF 1 WHENEVER A SPECIFIC PAGE IS TO BE INCLUDED IN THE OUTPUT. THE 60 PRINT CONTROL SWITCHES FOR THIS TABLE APPEAR ON THE INPUT CARD IN THE SAME FORMAT GIVEN FOR CARD NUMBER 111(SEE FIG. 6.2.3).

TABLE 6.2.4: PRINT CONTROL SWITCHES FOR TABLE 6

PRINT SWITCH	CARD COLUMN	AGI CLASS	SCHEDULE
1	13	****- 5	SINGLE
2	14	****- 5	MARRIED
3	15	****- 5	HEAD HH
4	16	****- 5	ALL SCHD
5	17	5 - 10	SINGLE
6	18	5 - 10	MARRIED
7	19	5 - 10	HEAD HH
8	20	5 - 10	ALL SCHD
9	21	10 - 15	SINGLE
10	22	10 - 15	MARRIED
11	23	10 - 15	HEAD HH
12	24	10 - 15	ALL SCHD
13	25	15 - 20	SINGLE
14	26	15 - 20	MARRIED
15	27	15 - 20	HEAD HH
16	28	15 - 20	ALL SCHD
17	29	20 - 30	SINGLE
18	30	20 - 30	MARRIED
19	31	20 - 30	HEAD HH
20	32	20 - 30	ALL SCHD
21	33	30 - 50	SINGLE
22	34	30 - 50	MARRIED
23	35	30 - 50	HEAD HH
24	36	30 - 50	ALL SCHD
25	37	50 - 100	SINGLE
26	38	50 - 100	MARRIED
27	39	50 - 100	HEAD HH
28	40	50 - 100	ALL SCHD
29	41	100 - 200	SINGLE
30	42	100 - 200	MARRIED
31	43	100 - 200	HEAD HH
32	44	100 - 200	ALL SCHD
33	45	200 -****	SINGLE
34	46	200 -****	MARRIED
35	47	200 -****	HEAD HH
36	48	200 -****	ALL SCHD
37	49	ALL	SINGLE
38	50	ALL	MARRIED
39	51	ALL	HEAD HH
40	52	ALL	ALL SCHD

**** MEANS WITHOUT LIMIT

TABLE 6.2.5: PRINT CONTROL SWITCHES FOR TABLE 7.

PRINT SWITCH	CARD COLUMN	INCOME CONCEPT	AGI CLASS	SCHEDULE
1	13	TOT. INC	****- 5	SINGLE & MARRIED
2	14	TOT. INC	****- 5	HEAD HH & ALL SCHD
3	15	TOT. INC	5 - 10	SINGLE & MARRIED
4	16	TOT. INC	5 - 10	HEAD HH & ALL SCHD
5	17	TOT. INC	10 - 15	SINGLE & MARRIED
6	18	TOT. INC	10 - 15	HEAD HH & ALL SCHD
7	19	TOT. INC	15 - 20	SINGLE & MARRIED
8	20	TOT. INC	15 - 20	HEAD HH & ALL SCHD
9	21	TOT. INC	20 - 30	SINGLE & MARRIED
10	22	TOT. INC	20 - 30	HEAD HH & ALL SCHD
11	23	TOT. INC	30 - 50	SINGLE & MARRIED
12	24	TOT. INC	30 - 50	HEAD HH & ALL SCHD
13	25	TOT. INC	50 - 100	SINGLE & MARRIED
14	26	TOT. INC	50 - 100	HEAD HH & ALL SCHD
15	27	TOT. INC	100 - 200	SINGLE & MARRIED
16	28	TOT. INC	100 - 200	HEAD HH & ALL SCHD
17	29	TOT. INC	200 -****	SINGLE & MARRIED
18	30	TOT. INC	200 -****	HEAD HH & ALL SCHD
19	31	TOT. INC	ALL	SINGLE & MARRIED
20	32	TOT. INC	ALL	HEAD HH & ALL SCHD
21	33	AGI	****- 5	SINGLE & MARRIED
22	34	AGI	****- 5	HEAD HH & ALL SCHD
23	35	AGI	5 - 10	SINGLE & MARRIED
24	36	AGI	5 - 10	HEAD HH & ALL SCHD
25	37	AGI	10 - 15	SINGLE & MARRIED
26	38	AGI	10 - 15	HEAD HH & ALL SCHD
27	39	AGI	15 - 20	SINGLE & MARRIED
28	40	AGI	15 - 20	HEAD HH & ALL SCHD
29	41	AGI	20 - 30	SINGLE & MARRIED
30	42	AGI	20 - 30	HEAD HH & ALL SCHD

**** MEANS WITHOUT LIMIT

TABLE 6.2.5: PRINT CONTROL SWITCHES FOR TABLE 7.

PRINT SWITCH.	CARD COLUMN	INCOME CONCEPT	AGI CLASS	SCHEDULE
31	43	AGI	30 - 50	SINGLE & MARRIED
32	44	AGI	30 - 50	HEAD HH & ALL SCHD
33	45	AGI	50 - 100	SINGLE & MARRIED
34	46	AGI	50 - 100	HEAD HH & ALL SCHD
35	47	AGI	100 - 200	SINGLE & MARRIED
36	48	AGI	100 - 200	HEAD HH & ALL SCHD
37	49	AGI	200 -****	SINGLE & MARRIED
38	50	AGI	200 -****	HEAD HH & ALL SCHD
39	51	AGI	ALL	SINGLE & MARRIED
40	52	AGI	ALL	HEAD HH & ALL SCHD
41	53	TAX. INC	****- 5	SINGLE & MARRIED
42	54	TAX. INC	****- 5	HEAD HH & ALL SCHD
43	55	TAX. INC	5 - 10	SINGLE & MARRIED
44	56	TAX. INC	5 - 10	HEAD HH & ALL SCHD
45	57	TAX. INC	10 - 15	SINGLE & MARRIED
46	58	TAX. INC	10 - 15	HEAD HH & ALL SCHD
47	59	TAX. INC	15 - 20	SINGLE & MARRIED
48	60	TAX. INC	15 - 20	HEAD HH & ALL SCHD
49	61	TAX. INC	20 - 30	SINGLE & MARRIED
50	62	TAX. INC	20 - 30	HEAD HH & ALL SCHD
51	63	TAX. INC	30 - 50	SINGLE & MARRIED
52	64	TAX. INC	30 - 50	HEAD HH & ALL SCHD
53	65	TAX. INC	50 - 100	SINGLE & MARRIED
54	66	TAX. INC	50 - 100	HEAD HH & ALL SCHD
55	67	TAX. INC	100 - 200	SINGLE & MARRIED
56	68	TAX. INC	100 - 200	HEAD HH & ALL SCHD
57	69	TAX. INC	200 -****	SINGLE & MARRIED
58	70	TAX. INC	200 -****	HEAD HH & ALL SCHD
59	71	TAX. INC	ALL	SINGLE & MARRIED
60	72	TAX. INC	ALL	HEAD HH & ALL SCHD

**** MEANS WITHOUT LIMIT

6.2.9. CARD NUMBER 121 & 122: TABLE 1 STUBS.

THE STATISTICS COMPUTED FOR TABLE 1 ARE SUBCLASSIFIED BY PERCENTAGE CHANGE IN TAX LIABILITY FOR TAX INCREASES AND TAX DECREASES ACCORDING TO THE PERCENTAGES SHOWN IN TABLE 6.2.6.

TABLE 6.2.6 PERCENTAGE CHANGE IN TAX LIABILITY BREAKPOINTS

TAX INCREASES			TAX DECREASES		
BREAK-POINT NUMBER	LOWER LIMIT	UPPER LIMIT	BREAK-POINT NUMBER	LOWER LIMIT	UPPER LIMIT
1	.0	2.0	1	.0	5.0
2	2.0	4.0	2	5.0	10.0
3	4.0	6.0	3	10.0	15.0
4	6.0	10.0	4	15.0	20.0
5	10.0	25.0	5	20.0	25.0
6	25.0	*****	6	25.0	30.0
			7	30.0	40.0
			8	40.0	50.0
			9	50.0	99.8
			10	99.8	*****

***** MEANS WITHOUT LIMIT

THUS, CARD 121 PERMITS THE USER TO CHANGE THE LOWER LIMITS FOR THE TAX INCREASE BREAKPOINTS 2 THROUGH 6 TO SOME OTHER SET OF PERCENTAGES. SIMILARLY, CARD NUMBER 122 ALLOWS FOR THE TAX DECREASE BREAKPOINTS 2 THROUGH 10 TO BE MODIFIED. IN BOTH CASES, THE PROGRAM AUTOMATICALLY GENERATES UPPER LIMITS CONSISTENT WITH THE LOWER LIMITS SUPPLIED BY THE USER. FIGURE 6.2.6 ILLUSTRATES THE FORMAT FOR EACH OF THESE CARDS.

```
+-----------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-----------------------------------------------------------------
|   1   2   1   B2   B3   B4   B5   B6
|   1   2   2   B2   B3   B4   B5   B6   B7   B8   B9  B10
|
```

WHERE B = THE LOWER LIMITS FOR THE PERCENTAGE CHANGE BREAKPOINTS IN F5.1 FORMAT

FIG. 6.2.6: TABLE 1 STUB CHANGES CARD FORMAT

SINCE A VALUE OF 2 FOR LOGIC SWITCH NUMBER 11 ON CARD 110 CAUSES BOTH OF THE ABOVE DATA CARDS TO BE INPUTTED, CARDS 121 AND 122 MUST APPEAR AS A SET IN THE INPUT DECK EVEN IF ONLY ONE CATEGORY OF BREAKPOINTS IS TO BE MODIFIED.

6.2.10. CARD NUMBER 123,124&125: TABLE 2 STUB CHANGES.

THE STATISTICS COMPUTED FOR TABLE 2 ARE SUBCLASSIFIED BY THE ABSOLUTE CHANGE IN TAX LIABILITY FOR PRESENTLY TAXABLE RETURNS THAT HAD A TAX INCREASE OR A TAX DECREASE AND FOR PRESENTLY NON-TAXABLE RETURNS THAT HAD A TAX INCREASE. THE BREAKPOINTS FOR THE DOLLAR AMOUNT OF ABSOLUTE CHANGE UNDER EACH OF THESE CATEGORIES IS PRESENTED IN TABLE 6.2.7.

TABLE 6.2.7: ABSOLUTE CHANGE IN TAX LIABILITY BREAKPOINTS

PRESENTLY TAXABLE: TAX INCREASE			PRESENTLY TAXABLE: TAX DECREASE			PRESENTLY NON-TAXABLE TAX INCREASE		
BREAK-POINT NUMBER	LOWER LIMIT	UPPER LIMIT	BREAK-POINT NUMBER	LOWER LIMIT	UPPER LIMIT	BREAK-POINT NUMBER	LOWER LIMIT	UPPER LIMIT
1	0.	50.	1	0.	50.	1	0.	50.
2	50.	100.	2	50.	100.	2	50.	100.
3	100.	250.	3	100.	250.	3	100.	250.
4	250.	500.	4	250.	500.	4	250.	500.
5	500.	1000.	5	500.	1000.	5	500.	1000.
6	1000.	*****	6	1000.	*****	6	1000.	*****

***** MEANS WITHOUT LIMIT

THUS, CARD 123 PERMITS THS USER TO CHANGE THE LOWER LIMITS FCR BREAKPOINTS 2 THROUGH 6 IN THE CATEGORY OF PRESENTLY TAXABLE RETURNS WITH A TAX INCREASE TO SOME OTHER SET OF ABSOLUTE AMOUNTS. SIMILARLY, CARDS 124 AND 125 ALLOW THE SAME THING TO BE DONE FOR THE CATEGORIES OF PRESENTLY TAXABLE RETURNS WITH A TAX DECREASE AND PRESENTLY NON-TAXABLE RETURNS WITH A TAX INCREASE, RESPECTIVELY. AS BEFORE, UPPER LIMITS CONSISTENT WITH THE USER SUPPLIED LOWER LIMITS WILL BE AUTOMATICALLY GENERATED BY THE PROGRAM.

THE FORMAT FOR EACH OF THESE CARDS IS IDENTICAL TO THAT PRESENTED IN FIGURE 6.2.6 FOR CARD NUMBER 121, EXCEPT FCR THE CARD NUMBER WHICH MUST BE 123, 124, OR 125. ALL THREE CARDS IN THIS SECTION WILL BE INPUTTED BY THE PROGRAM AS A SET WHEN LOGIC SWITCH NUMBER 12 ON CARD 110 HAS A VALUE OF 2. THEREFORE, ALL THREE CARDS MUST APPEAR AS A GROUP IN THE INPUT DECK EVEN IF CNLY ONE OF THE CATEGORIES OF BREAKPOINTS IS TO BE MODIFIED.

6.2.11. CARD NUMBER 126: TABLE 7 STUB CHANGES.

THE STATISTICS COMPUTED FOR TABLE 7 ARE SUBCLASSIFIED BY THE EFFECTIVE TAX RATE BREAKPOINTS SHOWN IN TABLE 6.2.8 BELOW.

TABLE 6.2.8: EFFECTIVE TAX RATE BREAKPOINTS

BREAK-POINT NUMBER	LOWER LIMIT	UPPER LIMIT
1	.0	.0
2	.0	5.0
3	5.0	10.0
4	10.0	15.0
5	15.0	20.0
6	20.0	25.0
7	25.0	30.0
8	30.0	35.0
9	35.0	40.0
10	40.0	45.0
11	45.0	50.0
12	50.0	55.0
13	55.0	60.0
14	60.0	*****

***** MEANS WITHOUT LIMIT

HENCE, THIS INPUT CARD ALLOWS THE USER TO MODIFY THE LOWER LIMITS FOR THE EFFECTIVE TAX RATE BREAKPOINTS 2 THROUGH 14. AS BEFORE, UPPER LIMITS CONSISTENT WITH THE USER SUPPLIED LOWER LIMITS WILL BE GENERATED BY THE PROGRAM. THIS INPUT CARD IS REQUIRED WHEN THE VALUE ASSIGNED TO LOGIC SWITCH NUMBER 17 ON CARD 110 IS A 2. EACH EFFECTIVE TAX RATE BREAKPOINT IS ENTERED IN F5.1 FORMAT AS SHOWN IN FIG. 6.2.7.

```
+-------------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------------
|   1   2   6   B2   B3   B4   B5   B6   B7   B8   B9  B10  B
|

--------------------+
66666666677777777778|
12345678901234567890|
--------------------+
11  B12  B13  B14   |
                    |
```

WHERE B = THE LOWER LIMIT FOR THE EFFECTIVE TAX RATE BREAKPOINT IN PERCENT

FIG. 6.2.7: TABLE 7 STUB CHANGE CARD FORMAT

6.2.12. CARD NUMBER 127: AGI CLASS BREAKPOINTS.

VARIOUS OUTPUT TABLES PRODUCED BY THE TAX MODEL ARE INDEXED BY THE AGI CLASS BREAKPOINTS SHOWN IN TABLE 6.2.9.

TABLE 6.2.9 ADJUSTED GROSS INCOME CLASS BREAKPOINTS
(IN THOUSANDS OF DOLLARS)

BREAK-POINT NUMBER	STANDARD LOWER LIMIT	STANDARD UPPER LIMIT	HIGH OPTION LOWER LIMIT	HIGH OPTION UPPER LIMIT	LOW OPTION LOWER LIMIT	LOW OPTION UPPER LIMIT	PRE 1975 LOWER LIMIT	PRE 1975 UPPER LIMIT
1	***	5	***	20	***	0	0	.3
2	5	10	20	25	0	3	.3	5
3	10	15	25	30	3	5	5	7
4	15	20	30	50	5	7.5	7	10
5	20	30	50	75	7.5	10	10	15
6	30	50	75	100	10	12.5	15	20
7	50	100	100	200	12.5	15	20	50
8	100	200	200	500	15	20	50	100
9	200	***	500	***	20	***	100	***

*** MEANS WITHOUT LIMIT

NUMBER 127 PERMITS THE USER TO REDEFINE THE LOWER LIMITS FOR THE AGI CLASS BREAKPOINTS 2 THROUGH 9. THE PROGRAM WILL GENERATE CONSISTENNT UPPER LIMITS FROM THE USER SUPPLIED LOWER LIMITS. EACH AGI CLASS BREAKPOINT MUST BE ENTERED IN F5.1 FORMAT AS SHOWN

IN FIG. 6.2.8.

```
+-------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------
|   1   2   7   B2   B3   B4   B5   B6   B7   B8   B9
|
```

WHERE B = THE LOWER LIMIT FOR THE AGI CLASS BREAKPOINT
IN THOUSANDS OF DOLLARS

FIG. 6.2.8: AGI CLASS BREAKPOINT CARD FORMAT

6.2.13. CARD NUMBERS 130-133: STORING THE RESULTS.

THESE CARDS ARE REQUIRED WHEN LOGIC SWITCH NUMBER 20 ON CARD 110 HAS A VALUE OF ONE. THE INFORMATION SUPPLIED BY THESE CARDS MUST BE ENTERED ON THE INPUT CARDS AS SHOWN IN FIG. 6.2.9.

```
+-------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------
|   1   3   0  NCODE RUN   QUALIFIER
|   1   3   1<--------- TITLE ------------>
|   1   3   2<----------------- DETAIL 1 -------------------
|   1   3   3<----------------- DETAIL 2 -------------------
|

--------------------+
66666666677777777778|
12345678901234567890|
--------------------+
                    |
                    |
----->              |
----->              |
                    |
```

WHERE NCODE = A SIX DIGIT INTEGER NUMBER USED FOR CODING THE RESULTS OF THE TAX MODEL RUN. IF THE NUMBER IS GREATER THAN ZERO, THE TAX MODEL RESULTS WILL BE CODED. IF NCODE EQUALS

ZERO, THE TAX MODEL RESULTS WILL NOT BE CODED.

RUN = A FOUR DIGIT NUMBER THAT UNIQUELY IDENTIFIES THE RESULTS OF THE TAX MODEL RUN FROM OTHER TAX MODEL RUNS. THIS NUMBER MUST BE LEFT JUSTIFIED.

QUALIFIER = A 12 CHARACTER QUALIFIER FOR THE TAX MODEL RUN, SUCH AS TAXABLE, NON-TAXABLE, ETC.

TITLE = A 30 CHARACTER TITLE WHICH WILL REPLACE THE ON THE 311 CARD. IF LEFT BLANK, THE TITLE TITLE FROM THE 311 CARD WILL BE USED.

DETAIL 1 = A 54 CHARACTER LINE WHICH DESCRIBES THE RESULTS OF THE TAX MODEL RUN IN MORE DETAIL.

DETAIL 2 = CONTINUATION OF DETAIL 1.

FIG. 6.2.9: STORE TAX MODEL RESULTS CARD

WHEN THESE CARDS ARE INCLUDED IN THE RUN STREAM, PRESELECTED RESULTS FROM THE SUMMARY PAGES OF TABLES 1A AND 5 WILL BE STORED IN THE COMPUTER. THE STORED RESULTS CAN BE ACCESSED BY THE TAX MODEL 'TABLEMAKER' WITHOUT THE NEED OF THE TAX MODEL PROGRAM.

6.2.14. SUMMARY OF LOGIC & EDITING DATA CARDS.

THE PART 1 INPUT CARDS SHOULD BE ORDERED IN THE SAME SEQUENCE AS THEY APPEAR IN THIS DOCUMENTATION. THIS IS ILLUSTRATED MORE CONCISELY IN FIG. 6.2.10 BELOW.

IN ADDITION, FIG. 6.2.11 ILLUSTRATES A PUNCHED DECK OF PART 1 INPUT CARDS THAT MIGHT BE EMPLOYED FOR A NONTYPICAL RUN.

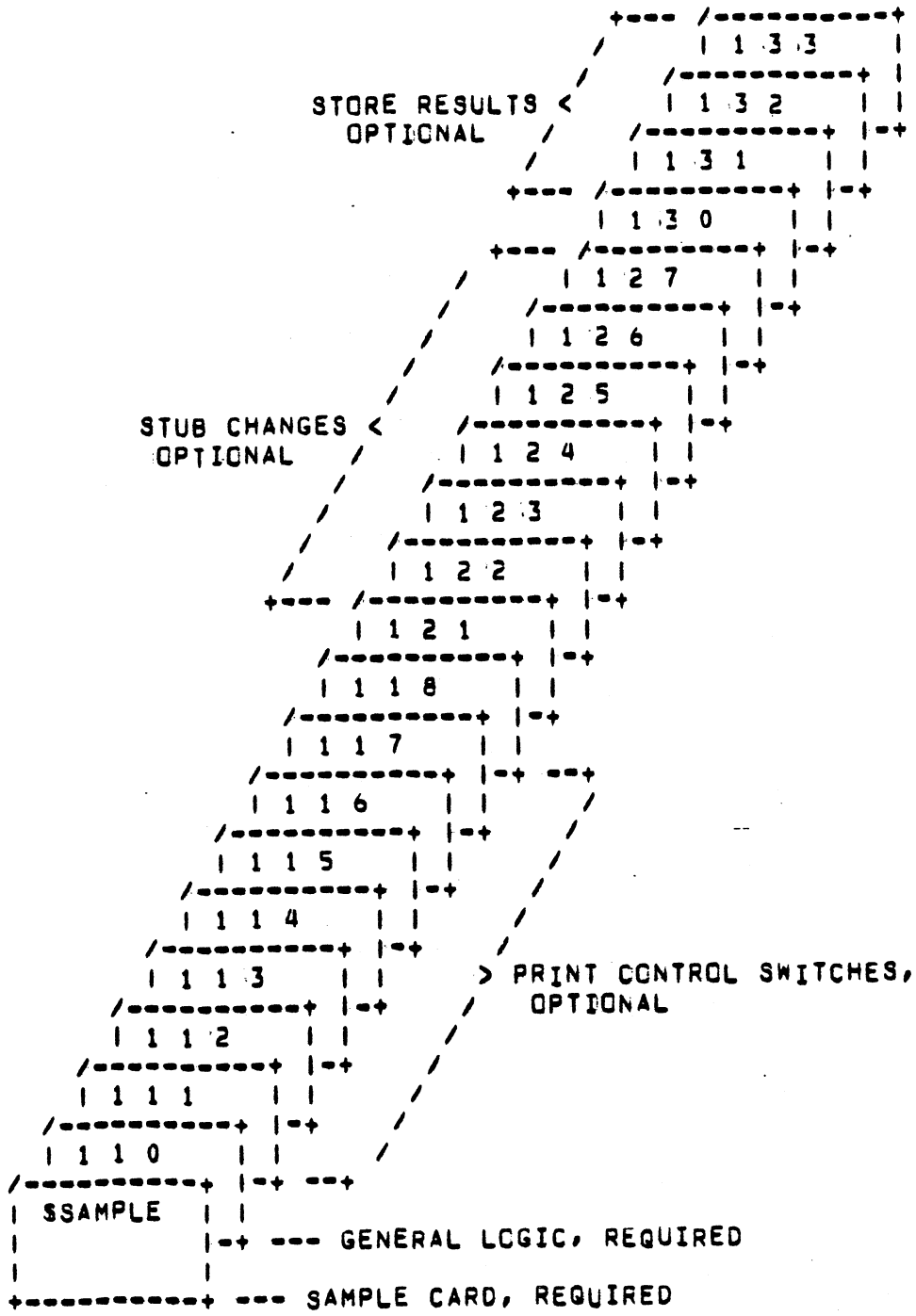

FIG. 6.2.10: DECK CONSTRUCTION FOR PART 1 INPUT CARDS

```
+-----------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-----------------------------------------------------------------
| $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978, $END
|   1   1   0   00000010002211012001
|   1   1   1111111111111111111111111111111111111111111111111111
|   1   1   2111111111111111111111111111111111111111111111111111
|   1   1   3111111111111111111111111111111111111111111111111111
|   1   1   4111111111111111111111111111111111111111111111111111
|   1   1   5111111111111
|   1   1   6111111111111
|   1   1   7111111111111111111111111111111111111111
|   1   1   8111111111111111111111111111111111111111111111111111
|   1   2   1  2.0  4.0  6.0 10.0 25.0
|   1   2   2  5.0 10.0 15.0 20.0 25.0 30.0 40.0 50.0 99.8
|   1   2   3 50.0100.0250.0500.0999.9
|   1   2   4 50.0100.0250.0500.0999.9
|   1   2   5 50.0100.0250.0500.0999.9
|   1   2   6  5.0  7.5 10.0 12.5 15.0 20.0 25.0 30.0 35.0 40
|   1   2   7  5.0 10.0  15.0 20.0 30.0 50.0100.0200.0
|   1   3   0       9999 ALL RETURNS
|   1   3   1THIS IS AN EXAMPLE TITLE.
|   1   3   2THIS IS AN EXAMPLE DETAIL.
|   1   3   3THIS IS A CONTINUATION OF THE EXAMPLE DETAIL.
|

--------------------+
66666666677777777778|
12345678901234567890|
--------------------+
                    | $SAMPLE
                    | 110
111111111111        | 111
111111111111        | 112
111111111111        | 113
111111111111        | 114
                    | 115
                    | 116
                    | 117
111111111111        | 118
                    | 121
                    | 122
                    | 123
                    | 124
                    | 125
.0 45.0 50.0 60.0   | 126
                    | 127
```

FIG. 6.2.11: INPUT CARD DECK FOR PART 1

6.3. TAX PARAMETER DATA CARDS.

6.3.1. INTRODUCTION.

THE TAX MODEL INITIALLY CREATES TWO ALTERNATIVE TAX PLANS, REFERRED TO AS PLAN Y AND PLAN Z, THAT ARE IDENTICAL IN EVERY ASPECT TO THE EXISTING STANDARD PLAN X. EACH SECTION OF THE INPUT DECK FOLLOWING THE PLAN X AND PLAN Y TITLE CARDS (TITLEX AND TITLEY) IS DESIGNED TO ALTER ONE, SEVERAL, OR ALL SEGMENTS OF ONE OR MORE SECTIONS OF PLAN X, Y, OR Z. SINCE THESE ALTERATIONS TAKE PLACE AFTER PLAN Y AND PLAN Z HAVE BEEN EQUATED TO PLAN X, EACH INPUT SECTION WILL MODIFY ONLY ONE OF THE PLANS.

EACH OF THE DATA CARDS IN THE FOLLOWING SUBSECTIONS ARE, IN GENERAL, INPUTTED VIA A 'NAMELIST' READ. HENCE, THE FORMAT FOR THESE CARDS ARE 'FREE FORMAT' WITHIN THE RESTRICTIONS OF A NAMELIST READ.

6.3.2. TITLEX AND TITLEY CARDS.

TWO TITLE CARDS ARE REQUIRED, ONE FOR PLAN X AND ONE FOR PLAN Y. (NO PROVISION IS MADE FOR A TITLE CARD FOR PLAN Z). THESE CARDS MUST BE THE FIRST TWO CARDS FOLLOWING THE PART 1 INPUT CARDS. FIG. 6.3.1 BELOW ILLUSTRATES THE FORMAT FOR EACH CARD. EACH TITLE MAY BE A MAXIMUM OF 60 ALPHANUMERIC CHARACTERS.

```
+------------------------------------------------------------
|         111111111122222222223333333333444444444455555555556
|123456789012345678901234567890123456789012345678901234567890
+------------------------------------------------------------
|TITLEX<--------------------- PLAN X TITLE ----------------
|TITLEY<--------------------- PLAN Y TITLE ----------------

--------------------+
666666666777777777781
123456789012345678901
--------------------+
----->              |
----->              |
```

FIG. 6.3.1: TITLE CARD FORMAT

6.3.3. THE $CHANGE CARD.

THE $CHANGE CARD CONVEYS TO THE TAX MODEL WHICH TAX PLANS WILL BE CHANGED AND HENCE, WHICH DATA CARDS WILL FOLLOW. EACH OF THE VARIABLES NEWX, NEWY, AND NEWZ MAY BE SET TO ONE OF THE FOLLOING VALUES TO ACHIEVE THE DESIRED CHANGE.

=0, NO CHANGES
=1, TAX PARAMETER CHANGES ONLY
=2, TAX PARAMETER & TAX RATE CHANGES
=3, TAX RATE CHANGES ONLY

FIG. 6.3.2 ILLUSTRATES AN EXAMPLE $CHANGE CARD WHERE PLAN X IS NOT CHANGED, PLAN Y HAS TAX PARAMETER AND TAX RATE CHANGES, AND PLAN Z IS NOT CHANGED. THIS CARD IS ALWAYS REQUIRED.

```
+-----------------------------------------------------------------
|         1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-----------------------------------------------------------------
| $CHANGE  NEWX=0,  NEWY=2,  NEWZ=0,  $END
|
|
```

FIG. 6.3.2: THE $CHANGE CARD FORMAT

6.3.4. THE $PLNX, $PLNY, AND $PLNZ CARDS.

IF ANY OF THE VARIABLES NEWX, NEWY, OR NEWZ FROM THE $CHANGE CARD EQUAL 1 OR 2, A $PLNX, $PLNY, OR $PLNZ CARD WILL BE REQUIRED DEPENDING ON WHICH VARIABLE IS SET TO 1 OR 2. USING THE EXAMPLE FROM FIG. 6.3.2, NEWY WAS SET EQUAL TO 2, THEREFORE, A $PLNY CARD IS REQUIRED. IF NEWX HAD ALSO BEEN SET EQUAL TO 1 OR 2, A $PLNX CARD WOULD BE REQUIRED AS WELL.

THE GENERAL FORMAT FOR THE $PLNX, $PLNY, AND $PLNZ CARDS IS ILLUSTRATED IN FIG. 6.3.3. IN THIS ILLUSTRATION, THE *

```
+-----------------------------------------------------------------
|         1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-----------------------------------------------------------------
| $PLN*
|  VNAME1=123.,  VNAME2=123.,
|  VNAME3=123.,
| $END
|
```

FIG. 6.3.3: THE $PLNX, $PLNY, AND $PLNZ CARD FORMAT

MAY BE A X, Y, OR Z DEPENDING ON WHICH PLAN IS TO BE CHANGED. THE VARIABLES VNAME1, VNAME2, ETC. MAY BE ANY OF THE VARIABLES LISTED IN TABLE 6.3.1.

TABLE 6.3.1: VARIABLE NAMES FOR THE $PLNX $PLNY, AND $PLNZ CARDS

VARIABLE NAMES	ARE RELATED TO--
DM*,LD*	PRESENT LAW DEDUCTIONS AND GENERATED DEDUCTION CATEGORIES
KD*,NT*	GENERATED DEDUCTION CATEGORIES
E*,E*CR	EXEMPTIONS AND EXEMPTION CREDITS
DE*,DC*,CAP*, PIN*	MISCELLANEOUS TAX PARAMETERS

THE CORRECT SPECIFICATION OF EACH OF THESE VARIABLES WILL BE DESCRIBED IN THE SUBSECTIONS THAT FOLLOW.

6.3.5. PRESENT LAW DEDUCTION PARAMETERS.

IN ORDER TO PERMIT THE INCLUSION OF FLOORS AND CEILINGS ON INDIVIDUAL AND COMBINED DEDUCTION CATEGORIES, THE TAX MODEL INCORPORATES IN THE STRUCTURE OF EACH PLAN A 'DEDUCTION MATRIX.' THE DEDUCTION MATRIX ASSOCIATED WITH EACH PLAN MAY BE CHANGED AS DESIRED, HENCE, THE VARIABLES DMX, DMY, AND DMZ AS WELL AS LDX, LDY, AND LDZ SPECIFY WHICH PLAN'S DEDUCTION MATRIX WILL UNDERGO MODIFICATION.

THE 'DEDUCTION MATRIX' STORES DATA WHICH ALLOWS THE IMPOSITION OF THREE DIFFERENT KINDS OF FLOORS AND CEILINGS FOR EACH DEDUCTION CATEGORY SEPERATELY BY TAX SCHEDULE. FIGURE 6.3.4 ILLUSTRATES THE CONSTRUCTION OF THIS MATRIX.

```
                    TAX SCHEDULES
                1          2          3
          +----------+----------+----------+
          |          |          |          |
PLAN X    |          |          |          |
(DMX)     |          |          |          |
          +----------+----------+----------+
          |          |          |          |
PLAN Y    |          |          |          |
(DMY)     |          |          |          |
          +----------+----------+----------+
          |          |          |          |
PLAN Z    |          |          |          |
(DMZ)     |          |          |          |
          +----------+----------+----------+
```

FIG. 6.3.4: DEDUCTION MATRIX CONSTRUCTION

EACH SQUARE IN FIG. 6.3.4, WHICH REPRESENTS A SPECIFIC TAX PLAN AND TAX SCHEDULE, IS ACTUALLY A SUBMATRIX CONSISTING OF TEN ROWS AND EIGHT COLUMNS. EACH ROW IN THE SUBMATRIX REPRESENTS ONE OF THE DEDUCTION CATEGORIES SHOWN IN TABLE 6.3.2 WHILE EACH COLUMN REPRESENTS ONE OF THREE DIFFERENT TYPES OF FLOORS OR CEILINGS SHOWN IN TABLE 6.3.3.

TABLE 6.3.2: ROW NUMBERS FOR EACH DEDUCTION CATEGORY

ROW NUMBER	CATEGORY
1	CHARITABLE CONTRIBUTIONS
2	INTEREST EXPENSE
3	TAX EXPENSE
4	MEDICINE AND DRUG EXPENSE
5	MEDICAL AND DENTAL EXPENSE
6	MEDICAL INSURANCE PREMIUMS
7	MISCELLANEOUS EXPENSE
8	GENERATED DEDUCTION CATEGORY A
9	GENERATED DEDUCTION CATEGORY B
10	PERCENTAGE STANDARD DEDUCTION

TO FACILITATE AN EXPLANATION OF HOW THESE PARAMETERS ARE EMPLOYED IN THE TAX MODEL, CONSIDER ANY ONE OF THE ROWS IN THE SUBMATRIX AND ILLUSTRATED IN FIG. 6.3.5.

TABLE 6.3.3: COLUMN NUMBERS FOR EACH TYPE OF FLOOR OR CEILING

COLUMN NO	TYPE
1	FLOOR, AN ABSOLUTE AMOUNT
2	FLOOR, A PERCENTAGE OF ADJUSTED GROSS INCOME
3	FLOOR, A BASE AMOUNT
4	EXTRA AMOUNT PER EXEMPTION (TO BE ADDED TO THE FLOOR BASE AMOUNT)
5	CEILING, AN ABSOLUTE AMOUNT
6	CEILING, A PERCENTAGE OF ADJUSTED GROSS INCOME
7	CEILING, A BASE AMOUNT
8	EXTRA AMOUNT PER EXEMPTION (TO BE ADDED TO THE CEILING BASE AMOUNT)

FLOOR				CEILING			
ABSOLUTE AMOUNT D1	% OF AGI D2	BASE AMOUNT D3	EXTRA AMOUNT D4	ABSOLUTE AMOUNT D5	% OF AGI D6	BASE AMOUNT D7	EXTRA AMOUNT D8

FIG. 6.3.5: ANY ROW IN THE SUBMATRIX

IN FIG. 6.3.5, THE SYMBOL D REPRESENTS AN AMOUNT AND ITS SUBSCRIPT REPRESENTS THE COLUMN IT APPEARS IN. THE FIRST FOUR NUMBERS COMPLETELY DEFINE THE FLOOR AND THE LAST FOUR COMPLETELY DEFINE THE CEILING. THUS, THE FLOOR AND CEILING FOR A RETURN WITH AN ADJUSTED GROSS INCOME OF Y AND N EXEMPTIONS IS CALCULATED AS

FOLLOWS:

(6.3.1) FLOOR = MAX(D1, (D2/100)*Y, D3+N*D4)

(6.3.2) CEILING = MIN(D5, (D6/100)*Y, D7+N*D8)

THE ALLOWABLE DEDUCTION (ALLOW) IS THEN DERIVED FROM THE ORIGININALLY REPORTED DEDUCTIONS (D') USING THE FORMULA:

(6.3.3) ALLOW = MIN(MAX(D'-FLOOR, 0), CEILING)

THE STANDARD DEDUCTION IS CALCULATED IN A SIMILAR MANNER USING ITS FLOOR AND CEILING DATA AS:

(6.3.4) STD = MIN(D5, (D6/100)*MAX((Y-FLOOR), 0), D7+N*D8)

ALL OF THE ABOVE FORMULA CORRESPOND TO THE ORDINARY NOTIONS OF COMPUTING ALLOWABLE AND STANDARD DEDUCTIONS CONSTRAINED BY FLOORS AND CEILINGS.

TABLE 6.3.4 PRESENTS THE VALUES CURRENTLY ASSIGNED TO EACH CATEGORY IN THE PLAN X SUBMATRICES.

TO CHANGE ANY OF THE VALUES SHOWN IN TABLE 6.3.4, THE USER SPECIFIES THE--

VNAME(ROW NO,COL NO,SCHEDULE NO)=AMOUNT,

ANYWHERE ON THE $PLNX, $PLNY, OR $PLNZ CARD. FOR EXAMPLE, SUPPOSE THAT THE USER WANTS TO CHANGE THE MINIMUM STANDARD DEDUCTION IN PLAN Y FROM $2,200 TO $2,400 FOR SINGLES (SCHEDULE 1) AND FOR HEAD OF HOUSEHOLD(SCHEDULE 3). THIS IS ACCOMPLISHED BY--

DMY(10,3,1)=2400., DMY(10,3,3)=2400.,

FURTHERMORE, SUPPOSE THAT THE USER ALSO WANTS TO CHANGE THE PERCENTAGE RATE ON MEDICAL AND DENTAL EXPENSE IN PLAN Y FROM 3% TO 4% FOR JOINT RETURNS(SCHEDULE 2). THIS IS ACCOMPLISHED BY ALSO ENTERING ON THE $PLNY CARD--

DMY(5,2,2)=4.0, LDY(5,2)=1,

ANYTIME A ROW IS CHANGED, EXCEPT ROW 10, THE VARIABLE LDX, LDY, OR LDZ MUST ALSO BE SET EQUAL TO 1. THIS VARIABLE HAS THE GENERAL FORM--

TABLE 6.3.4: STANDARD PLAN DEDUCTION MATRIX

ROW	FLOOR COL. 1 ABSOLUTE AMOUNT	FLOOR COL2 % OF AGI	FLOOR COL. 3 BASE AMOUNT	FLOOR COL. 4 EXTRA AMOUNT	CEILING COL. 5 ABSOLUTE AMOUNT	CEILING COL6 % OF AGI	CEILING COL. 7 BASE AMOUNT	CEILING COL. 8 EXTRA AMOUNT
** SCHEDULE 1 **								
1					1.0+12	100.	1.0+12	
2					1.0+12	100.	1.0+12	
3					1.0+12	100.	1.0+12	
4		1.0			1.0+12	100.	1.0+12	
5		3.0			1.0+12	100.	1.0+12	
6					1.5+02	100.	1.0+12	
7					1.0+12	100.	1.0+12	
10		0.0	2200.0		2.2+03	100.	1.0+12	
** SCHEDULE 2 **								
1					1.0+12	100.	1.0+12	
2					1.0+12	100.	1.0+12	
3					1.0+12	100.	1.0+12	
4		1.0			1.0+12	100.	1.0+12	
5		3.0			1.0+12	100.	1.0+12	
6					1.5+02	100.	1.0+12	
7					1.0+12	100.	1.0+12	
10		0.0	3200.0		3.2+03	100.	1.0+12	
** SCHEDULE 3 **								
1					1.0+12	100.	1.0+12	
2					1.0+12	100.	1.0+12	
3					1.0+12	100.	1.0+12	
4		1.0			1.0+12	100.	1.0+12	
5		3.0			1.0+12	100.	1.0+12	
6					1.5+02	100.	1.0+12	
7					1.0+12	100.	1.0+12	
10		0.0	2200.0		2.2+03	100.	1.0+12	

1 = CHARITABLE CONTRIBUTIONS
2 = INTEREST EXPENSE
3 = TAX EXPENSE
4 = MEDICINE & DRUG EXPENSE
5 = MEDICAL & DENTAL EXPENSE
6 = MEDICAL INSURANCE PREMIUMS
7 = MISCELLANEOUS EXPENSE
10 = PERCENTAGE STANDARD DEDUCTION

VNAME(ROW NO,SCHEDULE NO)=1,

AND CAUSES THE SPECIFIED PARAMETER TO BE APPLIED IN THE CALCULATIONS. FIG. 6.3.6 ILLUSTRATES THE $PLNY CARD FOR THE CHANGES DESCRIBED ABOVE.

```
+-------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|1234567890123456789012345678901234567890123456789012345678901234567890
+-------------------------------------------------------------
| $PLNY
|  DMY(10,3,1)=2400.,  DMY(10,3,3)=2400.,  DMY(5,2,2)=4.0,
|  LDY(5,2)=1,
| $END
|
```

FIG. 6.3.6: THE $PLNY CARD WITH DEDUCTION CHANGES

6.3.6. GENERATED DEDUCTION CATEGORIES.

IN ORDER TO PERMIT THE APPLICATION OF FLOORS AND CEILINGS TO GROUPS OF DEDUCTION CATEGORIES, THE USER MAY GENERATE COMBINATION DEDUCTION CATEGORIES AS PART OF THE ALTERNATIVE TAX PLAN(S). TO DEFINE THE COMBINATION DEDUCTION CATEGORIES CORRECTLY AND EFFICIENTLY, A 'WORKING KNOWLEDGE' OF HOW THE DEDUCTION COMPUTATIONS ARE PERFORMED IS NECESSARY:

A. THE REPORTED DEDUCTIONS FOR AN INDIVIDUAL TAX RETURN ARE RETRIVED FROM THE DATA FILE AND CONSTITUTE THE 'INITIAL' DEDUCTIONS. THE INITIAL DEDUCTIONS ARE SUBJECTED TO THE FLOORS AND CEILINGS OF THE DEDUCTION MATRIX IN THE MANNER DESCRIBED IN 6.3.4 IN ORDER TO OBTAIN THE ALLOWABLE DEDUCTIONS. IF NO FLOORS OR CEILINGS HAVE BEEN SPECIFIED BY THE USER OF THE PROGRAM, THEN IT IS ASSUMED THAT THE ALLOWABLE DEDUCTIONS EQUAL THE INITIAL DEDUCTION.

B. THE 'INITIAL' DEDUCTIONS ARE NOW DEFINED AS THE ALLOWABLE DEDUCTIONS FROM A ABOVE.

C. ALL OR SOME OF THE 'INITIAL' DEDUCTIONS ARE SUMMED TO GENERATE A COMBINATION DEDUCTION CATEGORY WHICH IS SUBJECTED TO ITS FLOORS AND CEILINGS IN THE MANNER DESCRIBED IN 6.3.4 TO OBTAIN THE ALLOWABLE DEDUCTION FOR THE COMBINATION CATEGORY.

D. IF MORE COMBINATION DEDUCTION CATEGORIES ARE TO BE GENERATED,

THEN THE 'INITIAL' DEDUCTIONS ARE REDEFINED AS THE ALLOWABLE DEDUCTIONS FROM A PLUS THE ALLOWABLE DEDUCTIONS FROM C AND THE COMPUTTATION IN C IS REPEATED. THUS, THE ALLOWABLE DEDUCTION FOR A COMBINATION DEDUCTION CATEGORY MAY CONTRIBUTE TO THE NEXT AND ALL SUCCEEDING COMBINATION DEDUCTION CATEGORIES.

E. AFTER ALL OF THE ALLOWABLE DEDUCTIONS HAVE BEEN COMPUTED, THEY ARE SUMMED TO OBTAIN TOTAL ITEMIZED DEDUCTIONS, BUT IN A MANNER SUCH THAT EACH ALLOWABLE DEDUCTION COMPUTED FROM THE REPORTED DEDUCTION CONTRIBUTES ONLY ONCE TO THIS SUM. AS AN EXAMPLE, SUPPOSE THAT IN A ABOVE, WE CALCULATED ALLOWABLE DEDUCTIONS OF A1, A2, A3, AND A4 FOR THE REPORTED DEDUCTIONS OF D1, D2, D3, AND D4 RESPECTIVELY. FURTHERMORE, LET US ASSUME THAT WE WANT A COMBINATION DEDUCTION CATEGORY DEFINED AS:

(6.3.5) C1 = A1 + A2

IN C ABOVE, WE WOULD THEN CALCULATE THE ALLOWABLE DEDUCTION A1* FOR C1. LET US NOW DEFINE A SECOND COMBINATION DEDUCTION CATEGORY AS:

(6.3.6) C2 = A1* + A3

AND CALCULATE ITS ALLOWABLE DEDUCTION A2* IN C. IF C1 AND C2 WERE OUR ONLY COMBINATION DEDUCTION CATEGORIES, THE TOTAL ITEMIZED DEDUCTIONS WOULD BE--

(6.3.7) TOTAL ITEMIZED DEDUCTIONS = A2* + A4

AT PRESENT, NO MORE THAN 2 COMBINATION DEDUCTION CATEGORIES ARE PERMITTED.

TO SPECIFY A COMBINATION DEDUCTION CATEGORY THE USER MUST INSERT ON THE $PLNX, $PLNY, OR $PLNZ CARD--

```
KD*(1,N)=NEW CATEGORY NO. 8 OR 9,
         NO OF EXISTING CATEGORIES TO BE COMBINED,
         ROW NO OF 1ST EXISTING CATEGORY,
                  .
         ROW NO OF NTH EXISTING CATEGORY,
                  .
         ROW NO OF 7TH EXISTING CATEFORY,
NT*=N,

WHERE *=X FOR PLAN X, =Y FOR PLAN Y, =Z FOR PLAN Z
      N=THE NUMBER OF GENERATED DEDUCTION CATEGORIES
        TO BE ADDED, MAXIMUM OF 2.
```

SUPPOSE THAT THE USER WISHES TO PUT A FLOOR OF 5% OF AGI ON INTEREST EXPENSE(2) AND TAX EXPENSE(3) COMBINED FOR JOINT

RETURNS(2) IN PLAN Y. TO ACCOMPLISH THIS HE WOULD INSERT ON THE $PLNY CARD--

```
NTY=1,
KDY(1,1)=8,2,2,3,
```

AS WELL AS--

```
DMY(8,2,2)=5.0,
```

AS SHOWN ABOVE, THE USER MUST ALSO SPECIFY THE CORRESPONDING FLOORS AND CEILINGS IN THE DEDUCTION MATRIX. FIG. 6.3.7 ILLUSTRATES THE $PLNY CARD FOR THIS EXAMPLE.

```
+-------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------
| $PLNY
|  DMY(8,2,2)=5.0, NTY=1,
|  KDY(1,1)=8,2,2,3,
| $END
|
```

FIG. 6.3.7: THE $PLNY CARD WITH GENERATED DEDUCTION CHANGES

6.3.7. EXEMPTION ALLOWANCES & CREDITS.

IN ORDER TO ALTER THE EXEMPTION ALLOWANCES AND TAX CREDITS ASSIGNED TO EACH PLAN, THE VARIABLES EX, EY, OR EZ AND THE VARIABLES EXCR, EYCR, OR EZCR ARE INSERTED ON THE $PLNX, $PLNY, OR $PLNZ CARD AS REQUIRED. EACH OF THESE VARIABLES AND THEIR DEFAULT VALUES ARE DESCRIBED BELOW.

E*(1) =	THE DOLLAR ALLOWANCE FOR TAXPAYER EXEMPTIONS	($750)
E*(2) =	THE DOLLAR ALLOWANCE FOR AGED EXEMPTIONS	($750)
E*(3) =	THE DOLLAR ALLOWANCE FOR BLIND EXEMPTIONS	($750)
E*(4) =	THE DOLLAR ALLOWANCE FOR DEPENDENT EXEMPTIONS	($750)

```
E*CR(1) = THE DOLLAR TAX CREDIT FOR TAXPAYER
          EXEMPTIONS                                    ($35)
E*CR(2) = THE DOLLAR TAX CREDIT FOR AGED
          EXEMPTIONS                                    ($35)
E*CR(3) = THE DOLLAR TAX CREDIT FOR BLIND
          EXEMPTIONS                                    ($35)
E*CR(4) = THE DOLLAR TAX CREDIT FOT DEPENDENT
          EXEMPTIONS                                    ($35)
```

WHERE THE *=X FOR PLAN X, Y FOR PLAN Y, AND Z FOR PLAN Z.

IF THE USER WANTS TO CHANGE THE TAXPAYER EXEMPTION TO $850 AND THE DEPENDENT TAX CREDIT TO $45 FOR PLAN Y, HE WOULD INSERT ON THE $PLNY CARD--

```
EY(1)=850., EYCR(4)=45.,
```

IF THESE CHANGES ARE TO BE MADE IN CONJUNCTION WITH THE DEDUCTION CHANGES OF SECTION 6.3.5, THEN THE $PLNY CARD WOULD APPEAR AS ILLUSTRATED IN FIG. 6.3.8.

```
+-------------------------------------------------------------
|         1111111111222222222233333333334444444444555555555556
|1234567890123456789012345678901234567890123456789012345678901
+-------------------------------------------------------------
| $PLNY
|  DMY(10,3,1)=2400.,  DMY(10,3,3)=2400.,  DMY(5,2,2)=4.0,
|  LDY(5,2)=1,  EY(1)=850., EYCR(4)=45.,
| $END
|
```

FIG. 6.3.8: THE $PLNY CARD WITH DEDUCTION, EXEMPTION, AND EXEMPTION CREDIT CHANGES

6.3.8. MISCELLANEOUS TAX PARAMETERS.

THERE ARE THIRTY MISCELLANEOUS TAX PARAMETERS REMAINING IN THE TAX STRUCTURE OF EACH PLAN IN THE MODEL. EACH OF THE MISCELLANEOUS TAX PARAMETERS IN A TAX PLAN ARE INITIALLY THE SAME AS THOSE IN THE STANDARD PLAN SHOWN IN TABLE 6.3.5 BUT MAY BE MODIFIED BY THE USER.

TO MODIFY ONE OF THE PARAMETERS IN TABLE 6.3.5, THE USER ENTERS ON THE $PLNX, $PLNY, OR $PLNZ CARD--

VARIABLE-NAME*(NO)=NEW-VALUE,

WHERE THE *=X FOR PLAN X, Y FOR PLAN Y, OR Z FOR PLAN Z. CONTINUING WITH THE EXAMPLE FROM THE PREVIOUS SECTION, SUPPOSE THAT THE USER WANTS TO CHANGE THE CHILD CARE CREDIT TO 25% AND THE MAXIMUM EARNED INCOME CREDIT TO $500 FOR PLAN Y. THIS IS ACHIEVED BY THE DATA CARDS SHOWN IN FIG. 6.3.9.

```
+-----------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-----------------------------------------------------------------
| $PLNY
|  DMY(10,3,1)=2400.,  DMY(10,3,3)=2400.,  DMY(5,2,2)=4.0,
|  LDY(5,2)=1,  EY(1)=850., EYCR(4)=45.,
|  PINY(15)=.25,  PINY(19)=500.,
| $END
|
```

FIG. 6.3.9: THE $PLNY CARD WITH DEDUCTION, EXEMPTION, EXEMPTION CREDIT AND MISCELLANEOUS TAX PARAMETER CHANGES

THE USER SHOULD NOTE THAT PERCENTAGES ARE ENTERED AS REAL NUMBERS, THAT IS 0.25 NOT 25.0 FOR 25%.

TABLE 6.3.5: MISCELLANEOUS TAX PARAMETERS

VARIABLE NAME	PARAMETER DESCRIPTION	INITIAL VALUE
PIN*(1)	ADJUSTMENTS TO AGI INCLUSION PERCENTAGE	100%
PIN*(2)	MAXIMUM RATE ON EARNED INCOME, PERCENTAGE	50%
PIN*(3)	DEDUCTIONS INCLUSION, PERCENTAGE	100%
PIN*(4)	EXEMPTIONS INCLUSION, PERCENTAGE	100%
PIN*(5)	FLOOR ON PREFERENCE REDUCING EARNED INCOME	$0
PIN*(6)	MAXIMUM AMOUNT OF FULLY SHELTERED ALTERNATIVE CAPITAL GAINS	$50,000
PIN*(7)	RATE ON UNSHELTERED ALTERNATIVE CAPITAL GAINS	35%
PIN*(8)	MINIMUM TAX RATE ON PREFERENCES	15%
PIN*(9)	FLOOR ON PREFERENCES FOR THE MINIMUM TAX	$10,000
PIN*(10)	MEDICAL INSURANCE PREMIUMS DEDUCTION, PERCENTAGE	50%
PIN*(11)	EXCESS ITEMIZED DEDUCTIONS OVER AGI, PERCENTAGE	60%
PIN*(12)	REGULAR TAX TO OFFSET MINIMUM TAX, PERCENTAGE	50%
PIN*(13)	OPTIONAL TAXABLE INCOME CREDIT, PERCENTAGE	2%
PIN*(14)	CEILING ON OPTIONAL TAXABLE INCOME CREDIT	$9000

TABLE 6.3.5: MISCELLANEOUS TAX PARAMETERS

VARIABLE NAME	PARAMETER DESCRIPTION	INITIAL VALUE
PIN*(15)	CHILD CARE CREDIT, PERCENTAGE	20%
PIN*(16)	CHILD CARE CREDIT, AMOUNT PER DEPENDENT	$2,000
PIN*(17)	CHILD CARE CREDIT, MAXIMUM AMOUNT FOR ALL DEPENDENTS	$4,000
PIN*(18)	EARNED INCOME CREDIT, PERCENT	10%
PIN*(19)	EARNED INCOME CREDIT, MAXIMUM AMOUNT OF CREDIT	$400
PIN*(20)	EARNED INCOME CREDIT, LEVEL OF AGI WHERE PHASEOUT BEGINS	$4,000
PIN*(21)	LIMITATION ON INVESTMENT INTEREST EXPENSE	$10,000
PIN*(22)	ELDERLY CREDIT: MAXIMUM AMOUNT S.T. CREDIT, SINGLE RETURNS	$2,500
PIN*(23)	ELDERLY CREDIT: MAXIMUM AMOUNT S.T. CREDIT, JOINT RETURNS	$3,750
PIN*(24)	ELDERLY CREDIT: REDUCTION BASED ON AGI, PERCENTAGE	50%
PIN*(25)	ELDERLY CREDIT: REDUCTION BASED ON AGI LEVEL, SINGLE RETURNS	$7,500
PIN*(26)	ELDERLY CREDIT: REDUCTION BASED ON AGI LEVEL, JOINT RETURNS	$10,000
PIN*(27)	ELDERLY CREDIT: RATE OF CREDIT	15%
PIN*(28)	ELDERLY CREDIT: REDUCTION BASED ON EI, AGE < 62	$900

TABLE 6.3.5: MISCELLANEOUS TAX PARAMETERS

VARIABLE NAME	PARAMETER DESCRIPTION	INITIAL VALUE
PIN*(29)	ELDERLY CREDIT: REDUCTION BASED ON EI, 62 <= AGE < 72	$1,200
PIN*(30)	ELDERLY CREDIT: REDUCTION BASED ON EI, EI > PIN(32)	$1,450
PIN*(31)	ELDERLY CREDIT: REDUCTION BASED ON EI, LOWER LIMIT	$1,200
PIN*(32)	ELDERLY CREDIT: REDUCTION BASED ON EI, UPPER LIMIT	$1,700
DE*(1)	DIVIDEND EXCLUSION, SCHEDULE 1	$100
DE*(2)	DIVIDEND EXCLUSION, SCHEDULE 2	$200
DE*(3)	DIVIDEND EXCLUSION, SCHEDULE 3	$100
DC*(1)	MAXIMUM ABSOLUTE DIVIDEND CREDIT	0
DC*(2)	MAXIMUM DIVIDEND CREDIT AS A PERCENT OF DIVIDENDS	0%
DC*(3)	MAXIMUM DIVIDEND CREDIT AS A PERCENT OF TAXABLE INCOME	0%
CAP*(1)	CAPITAL GAINS EXCLUSION, PERCENTAGE	50%
CAP*(2)	MAXIMUM CAPITAL GAINS TAX RATE, PERCENTAGE	25%
CAP*(3)	MAXIMUM YEARLY CAPITAL LOSS	$3,000
CAP*(4)	LOSS OFFSET CONVENTION, 1= FULL OFFSET, 0= PARTIAL OFFSET	0

6.4. TAX RATES DATA CARDS.

6.4.1. THE $RATES DATA CARD.

THE TAX SCHEDULES ASSIGNED TO THE ALTERNATIVE TAX PLAN(S) ARE INITIALLY THOSE OF THE STANDARD PLAN. ANY TAX SCHEDULE ASSOCIATED WITH ANY OF THE THREE PLANS MAY BE REDEFINED BY EMPLOYING THE $RATES CARD AND ADDITIONAL DATA CARDS. THE USER MAY REDEFINE A TAX SCHEDULE BY SPECIFYING THE SCHEDULE THAT IS TO BE CHANGED AND THE OPTION THAT IS TO BE USED TO ACCOMPLISH THE TAX RATE CHANGES. THIS CARD IS REQUIRED WHEN NEWX, NEWY, OR NEWZ ON THE $CHANGE CARD IS SET EQUAL TO 2 OR 3. THE PARTICULARS OF THIS CARD ARE ILLUSTRATED IN FIG. 6.4.1 BELOW.

```
+-------------------------------------------------------------
|         1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------
| $RATES  SCHD=N,  OPTION=NN,  $END
|
|

                 +--
                 |  1 FOR SCHEDULE 1: SINGLE PERSON RETURNS
                 |  2 FOR SCHEDULE 2: MARRIED FILING JOINT
                 |    RETURNS, CERTAIN WIDOWS, AND MARRIED
                 |    PERSONS FILING SEPERATE RETURNS
            N = <     (APPLIED AT 1/2 THE INTERVALS)
                 |  3 FOR SCHEDULE 3: UNMARRIED OR LEGALLY
                 |    SEPERATED HEAD OF HOUSEHOLD
                 +--

                 +--
                 | 0  NO MORE RATE CHANGES
                 | 1  CHANGE RATES BY VARIOUS METHODS
           NN = < 2  AUTOMATIC GENERATION OF JOINT(2) RATES
                 |    AND/OR HEAD OF HOUSEHOLD(3) RATES: OLD VER.
                 | 3  AUTOMATIC GENERATION OF SINGLE(1) RATES
                 |    FROM JOINT(2) RATES: NEW VER.
                 +--
```

FIG. 6.4.1: THE $RATES CARD FORMAT

6.4.1.1. OPTION=0: NO MORE RATE CHANGES.

A $RATES CARD IS REQUIRED FOR EACH TAX SCHEDULE THAT IS TO BE CHANGED. IN ADDITION, ONE MORE $RATES CARD MUST BE INCLUDED IN THE INPUT STREAM FOLLOWING THE OTHER $RATES CARDS TO INDICATE THAT ALL OF THE RATE CHANGES HAVE BEEN COMPLETED FOR THE CURRENT PLAN.

6.4.1.2. OPTION=1: METHODS OF CHANGING RATES.

THE OPTION=1 PARAMETER ALLOWS THE USER TO EMPLOY ONE OR MORE OF SIX DIFFERENT METHODS TO CHANGE THE TAX RATE SCHEDULES. ALTHOUGH THESE ARE EASY TO USE, EACH OF THE METHODS WILL BE DESCRIBED IN THE NEXT SUBSECTION.

6.4.1.3. OPTION=2: AUTO GENERATION, OLD VERSION.

AUTOMATIC GENERATION OF SCHEDULE 2 WILL BE CREATED BY DOUBLING THE WIDTH OF THE INCOME BREAKPOINTS IN SCHEDULE 1. AUTOMATIC GENERATION OF SCHEDULE 3 IS ACCOMPLISHED BY CONSTRUCTING INCOME BREAKPOINTS WHICH ARE MIDWAY BETWEEN SCHEDULES 1 AND 2. THE ONLY LIMITATION ENCOUNTERED HERE IS THAT THE APPROPRIATE SCHEDULE(S) NECESSARY FOR THE GENERATION BE SPECIFIED BEFORE THE REQUEST FOR AUTOMATIC GENERATION. FOR EXAMPLE, IF A NEW SCHEDULE 1 IS TO BE SPECIFIED AND SCHEDULE 2 TO BE GENERATED FROM IT, THEN THE SCHEDULE 1 SPECIFICATION MUST APPEAR IN THE DATA DECK BEFORE THE GENERATION REQUEST FOR SCHEDULE 2.

6.4.1.4. OPTION=3: AUTO GENERATION, NEW VERSION.

WHEN OPTION 3 IS ELECTED, THE TAX MODEL PROGRAM WILL GENERATE THE SINGLE RETURN RATE SCHEDULE FROM THE JOINT RETURN RATE SCHEDULE BY EMPLOYING VARIOUS ASSUMPTIONS REGARDING THE RELATIONSHIP BETWEEN THE TWO RATE SCHEDULES. AN ERROR CHECK WILL CAUSE THE PROGRAM TO PRINTOUT AN ERROR MESSAGE AND TERMINATE IF THIS OPTION IS REQUESTED AND SCHD DOES NOT EQUAL TO 1.

6.4.2. SIX METHODS TO CHANGE RATE SCHEDULES.

THE EXISTING TAX RATE SCHEDULES THAT ARE INITIALIZED FOR PLAN X, Y, AND Z ARE PRESENTED IN TABLE 6.4.2. THESE ARE THE TAX BRACKETS AND TAX RATES THAT THE FOLLOWING METHODS OPERATE ON.

WHEN OPTION=1 ON THE $RATES CARD, THE TAX MODEL PROGRAM WILL REQUIRE THAT THE USER ENTER IN FREE FORMAT A NUMBER FROM 1 TO 6 AS THE NEXT DATA CARD. THIS NUMBER REPRESENTS THE METHOD OF CHANGE AS SHOWN IN TABLE 6.4.1.

TABLE 6.4.1: METHODS EMPLOYED TO CHANGE THE MARGINAL TAX RATE SCHEDULES

METHOD	DESCRIPTION
1	FLAT RATE
2	TRUNCATE RATES AT X%
3	ADJUST ALL RATES UP OR DOWN BY X PERCENTAGE POINTS
4	ADJUST ALL RATES UP OR DOWN BY X%
5	REPLACE THE EXISTING RATE SCHEDULE WITH A NEW RATE SCHEDULE
6	MODIFY, DELETE, OR INSERT NEW BRACKETS, RATES IN THE EXISTING RATE SCHEDULE

TABLE 6.4.2: INCOME BREAKPOINTS AND MARGINAL TAX RATES BY SCHEDULE

SCHEDULE 1 SINGLE PERSON RETURNS		SCHEDULE 2 MARRIED FILING JOINT RETURN, CERTAIN WIDOWS, AND MARRIED FILING SEPERATE RETURNS	
INCOME BREAKPOINTS	MARGINAL TAX RATE	INCOME BREAKPOINTS	MARGINAL TAX RATE
0. - 500.	14.	0. - 1000.	14.
500. - 1000.	15.	1000. - 2000.	15.
1000. - 1500.	16.	2000. - 3000.	16.
1500. - 2000.	17.	3000. - 4000.	17.
2000. - 4000.	19.	4000. - 8000.	19.
4000. - 6000.	21.	8000. - 12000.	22.
6000. - 8000.	24.	12000. - 16000.	25.
8000. - 10000.	25.	16000. - 20000.	28.
10000. - 12000.	27.	20000. - 24000.	32.
12000. - 14000.	29.	24000. - 28000.	36.
14000. - 16000.	31.	28000. - 32000.	39.
16000. - 18000.	34.	32000. - 36000.	42.
18000. - 20000.	36.	36000. - 40000.	45.
20000. - 22000.	38.	40000. - 44000.	48.
22000. - 26000.	40.	44000. - 52000.	50.
26000. - 32000.	45.	52000. - 64000.	53.
32000. - 38000.	50.	64000. - 76000.	55.
38000. - 44000.	55.	76000. - 88000.	58.
44000. - 50000.	60.	88000. - 100000.	60.
50000. - 60000.	62.	100000. - 120000.	62.
60000. - 70000.	64.	120000. - 140000.	64.
70000. - 80000.	66.	140000. - 160000.	66.
80000. - 90000.	68.	160000. - 180000.	68.
90000. - 100000.	69.	180000. - 200000.	69.
100000. & OVER	70.	200000. & OVER	70.

TABLE 6.4.2: INCOME BREAKPOINTS AND MARGINAL TAX RATES BY SCHEDULE

SCHEDULE 3
UNMARRIED OR LEGALLY SEPERATED
HEAD OF HOUSEHOLD

INCOME BREAKPOINTS	MARGINAL TAX RATE
0. - 1000.	14.
1000. - 2000.	16.
2000. - 4000.	18.
4000. - 6000.	19.
6000. - 8000.	22.
8000. - 10000.	23.
10000. - 12000.	25.
12000. - 14000.	27.
14000. - 16000.	28.
16000. - 18000.	31.
18000. - 20000.	32.
20000. - 22000.	35.
22000. - 24000.	36.
24000. - 26000.	38.
26000. - 28000.	41.
28000. - 32000.	42.
32000. - 36000.	45.
36000. - 38000.	48.
38000. - 40000.	51.
40000. - 44000.	52.
44000. - 50000.	55.
50000. - 52000.	56.
52000. - 64000.	58.
64000. - 70000.	59.
70000. - 76000.	61.
76000. - 80000.	62.
80000. - 88000.	63.
88000. - 100000.	64.
100000. - 120000.	66.
120000. - 140000.	67.
140000. - 160000.	68.
160000. - 180000.	69.
180000. & OVER	70.

6.4.2.1. METHOD 1:FLAT RATES.

IF THE USER WISHES TO INSTITUTE A FLAT RATE FCR SCHEDULE 1 '
O(SINGLE) OF 50%, HE WOULD ENTER THE CARDS SHOWN IN FIG. 6.4.2.

```
+-----------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-----------------------------------------------------------------
| $RATES  SCHD=1,  OPTION=1,  $END
|1,
|0.,0.,50.,
|
```

FIG. 6.4.2: DATA CARDS FOR FLAT RATE CHANGE

6.4.2.2. METHOD 2:TRUNCATE RATES.

IF THE USER WANTS TO TRUNCATE THE RATES FOR SCHEDULE 1 (SINGLE) AT
60%, HE WOULD ENETER THE CARDS SHOWN IN FIG. 6.4.3.

```
+-----------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-----------------------------------------------------------------
| $RATES  SCHD=1,  OPTION=1,  $END
|2,
|60.,
|
```

FIG. 6.4.3: DATA CARDS FOR TRUNCATING RATES

6.4.2.3. METHOD 3:ADJUST BY PERCENTAGE POINTS.

IF THE USER WANTS TO DECREASE ALL THE MARGINAL RATES ON SCHEDULE
1(SINGLE) BY 2 PERCENTAGE POINTS, HE WOULD ENTER THE CARDS SHOWN
IN FIG. 6.4.4.

```
+-------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------
| $RATES  SCHD=1,  OPTION=1,  $END
|3,
|-2.0,
|
```

FIG. 6.4.4: DATA CARDS FOR ADJUSTING RATES BY PERCENTAGE POINTS

6.4.2.4. METHOD 4:ADJUST BY A PERCENTAGE FACTOR.

IF THE USER WISHES TO INCREASE THE MARGINAL RATES FOR SCHEDULE 1(SINGLES) BY 10 PERCENT FOR ALL THE RATES, HE WOULD ENTER THE CARDS SHOWN IN FIG. 6.4.5.

```
+-------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------
| $RATES  SCHD=1,  OPTION=1,  $END
|4,
|10.,
|
```

FIG. 6.4.5: DATA CARDS FOR ADJUSTING RATES BY A PERCENTAGE FACTOR

6.4.2.5. METHOD 5:REPLACEMENT OF THE RATE SCHEDULE.

TO REPLACE ALL THE RATESIN A GIVEN SCHEDULE WITH A NEW SET OF TAX RATES, THE USER MUST ENTER A '5' AS THE FIRST DATA CARD FOLLOWING THE $RATES CARD. EACH DATA CARD THAT FOLLOWS CONTAINS--

A BRACKET IN $'S, A TAX RATE IN %, AN INDICATOR,

WHERE THE INDICATOR IS AN INTEGER ZERO(0) FOR ALL CARDS EXCEPT THE LAST CARD WHICH CONTAINS A MINUS ONE(-1). THE BRACKETS AND RATES ARE REAL NUMBERS. ONE CARD IS REQUIRED FOR EACH NEW BRACKET AND TAX RATE. THE CARDS MAY BE ARRANGED IN ANY ORDER AND DUPLICATE

ENTRIES, IF ANY, WILL BE OMITTED FROM THE SCHEDULE. THE LAST CARD MUST BE--

```
0.,0.,-1,
```

TO INDICATE THAT ALL OF THE ENTRIES THAT CONSTITUTE THE RATE SCHEDULE HAVE BEEN ENTERED.

AS AN EXAMPLE, SUPPOSE THAT THE USER WANTS TO REPLACE SCHEDULE 1(SINGLE) WITH THE SCHEDULE 2(JOINT) TAX RATES. THE CARDS SHOWN IN FIG. 6.4.6 WOULD ACCOMPLISH THIS OBJECTIVE.

```
+-----------------------------------------------------------------
I         1111111111222222222233333333334444444444555555555556
I123456789012345678901234567890123456789012345678901234567890
+-----------------------------------------------------------------
I $RATES  SCHD=1,  OPTION=1,  $END
I5,
I0.,14.,0,
I1000.,15.,0,
I2000.,16.,0,
I3000.,17.,0,
I4000.,19.,0,
I8000.,22.,0,
I12000.,25.,0,
I16000.,28.,0,
I20000.,32.,0,
I24000.,36.,0,
I28000.,39.,0,
I32000.,42.,0,
I36000.,45.,0,
I40000.,48.,0,
I44000.,50.,0,
I52000.,53.,0,
I64000.,55.,0,
I76000.,58.,0,
I88000.,60.,0,
I100000.,62.,0,
I120000.,64.,0,
I140000.,66.,0,
I160000.,68.,0,
I180000.,69.,0,
I200000.,70.,0,
I0.,0.,-1,
```

FIG. 6.4.6: DATA CARDS FOR REPLACING A RATE SCHEDULE IN IT'S ENTIRITY

6.4.2.6. METHOD 6:INSERT, DELETE, OR MODIFY THE RATES.

MANY TIMES ITIS DESIRABLE TO INSERT, DELETE, CR MODIFY A TAX BRACKET OR RATE WITHOUT REPLACING THE ENTIRE TAX SCHEDULE. IF THE USER SPECIFIES A '6' ON THE FIRST DATA CARD FCLLCWING THE $RATES CARD, THEN INSERTIONS, DELETIONS, AND MODIFICATIONS WILL BE ACCEPTED IN ANY ORDER.

EACH CARD FOLLOWING THE METHOD '6' CARD WILL CONTAIN--

A BRACKET IN $'S, A TAX RATE IN %, AN INDICATOR,

TABLE 6.4.3 ILLUSTRATES HOW THE DATA MUST BE ENTERED TO ACHIEVE INSERTIONS, DELETIONS, AND MODIFICATIONS. IN TABLE 6.4.3, B REFERS TO AN EXISTING TAX BRACKET AND B* REFERS TO A NEW TAX BRACKET. SIMILARILLY, R REFERS TO AN EXISTING TAX RATE AND R* REFERS TO A NEW TAX RATE.

TABLE 6.4.3: FUNCTIONS AND THE FORMAT OF DATA ENTRY

FUNCTION	ENTER DATA AS--
INSERT	B*,R*,0,
DELETE	B,R,1,
REPLACE	B,R,1, B*,R*,0,
MODIFY	B,R*,0,
SPLIT A BRACKET	B,R*,0, B*,R**,0,

B=OLD BRACKET B*=NEW BRACKET
R=OLD RATE R*=NEW RATE
R**=NEW RATE NOT EQUAL TO R*

AS AN EXAMPLE, SUPPOSE THAT THE USER WANTS TO MODIFY SCHEDULE 1(SINGLE) BY DELETING THE 1500-2000 BRACKET, BY CHANGING THE RATE ON THE 2000-4000 BRACKET FROM 19% TO 18%, AND BY SPLITTING THE 4000-6000 BRACKET INTO 4000-5000 AT 20% AND 5000-6000 AT 22%. THE CARDS SHOWN IN FIG. 6.4.7 WILL ACHIEVE THE DESIRED RESULTS.

```
+-------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-------------------------------------------------------------
| $RATES  SCHD=1,  OPTION=1,  $END
|6,
|1500.,17.,1,
|2000.,18.,0,
|4000.,20.,0,
|5000.,22.,0,
|0.,0.,-1,
|
```

FIG. 6.4.7: DATA CARDS FOR MODIFYING RATES BY INSERTION, DELETION, & MODIFYING

THE USER SHOULD NOTE THAT THE LAST CARD--

```
0.,0.,-1,
```

IS REQUIRED TO TERMINATE THE CHANGES TO THE SPECIFIED RATE SCHEDULE.

6.4.3. STACKING OPTIONS AND METHODS.

EACH OF THE OPTIONS AND METHODS CAN BE STACKED TO EASILY ACHIEVE A SET OF COMPLEX CHANGES TO THE RATE SCHEDULES. FOR EXAMPLE, A PROPOSAL REQUOIRES THAT--

(A) JOINT: DELETE THE 2000-3000 BRACKET
SPLIT THE 44000-52000 BRACKET INTO
44000-48000 AT 50%
48000-52000 AT 51%

(B) ADJUST THE JOINT SCHEDULE RATES BY 10% TO REFLECT INFLATION

(C) CREATE A SUITABLE SINGLE SCHEDULE FROM THE JOINT SCHEDULE

(D) CREATE A SUITABLE HEAD OF HOUSEHOLD SCHEDULE FROM THE SINGLE AND JOINT SCHEDULES

THESE CHANGES ARE EASILY ACHIEVED BY THE CARDS ILLUSTRATED IN FIG. 6.4.8.

```
+-----------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-----------------------------------------------------------------
| $RATES  SCHD=2,  OPTION=1,  $END
|6,
|2000.,16.,1,
|48000.,51.,0,
|0.,0.,-1,
| $RATES  SCHD=2, OPTION=1,  $END
|4,
|10.,
| $RATES  SCHD=1,  OPTION=3,  $END
| $RATES  SCHD=3,  OPTION=2,  $END
| $RATES OPTION=0, $END
|
```

FIG. 6.4.8: EXAMPLE DATA CARDS FOR STACKING METHODS AND OPTIONS

6.4.4. ORDER OF DATA INPUT.

THE TAX PARAMETER AND TAX RATES DATA CARDS MUST BE INSERTED FOLLOWING THE GENERAL LOGIC AND EDITING DATA CARDS IN THE ORDER ILLUSTRATED IN FIG. 6.4.9. MORE SPECIFICALLY, THE ORDER IS CONDITIONAL AS SHOWN IN TABLE 6.4.4.

TABLE 6.4.4: THE TAX PARAMETER AND TAX RATE DATA CARDS AND THE CONDITION FOR THEIR INCLUSION IN THE INPUT DATA DECK

DATA CARD	CONDITION
TITLEX	ALWAYS
TITLEY	ALWAYS
$CHANGE	ALWAYS
$PLNX	IF NEWX=1 OR 2
$RATES	IF NEWX=2 OR 3
$PLNY	IF NEWY=1 OR 2
$RATES	IF NEWY=2 OR 3
$PLNZ	IF NEWZ=1 OR 2
$RATES	IF NEWZ=2 OR 3

IN ADDITION, FIG. 6.4.10 ILLUSTRATES A PUNCHED DECK OF DATA INPUT CARDS FOR NEWY=2, THAT IS TAX PARAMETER AND TAX RATE CHANGES TO PLAN Y.

```
                                                  +--- /----------+
          SRATES CARDS PLANY, OPTIONAL <          /          /|
                                                +--- /----------+ |
                                                     | SRATES   | |
                                              +--- /----------+ | +
                                             /     | SEND     | |/
            SPLNY CARDS, OPTIONAL <          /----------+ |-+
                                            /     |MODIFIERS | |
                                          +--- /----------+ |-+
                                               | SPLNY    | |
                                             /----------+ |-+
                                             | SRATES   | |
                                            /----------+ |-+
                                           /          /| |
                                          /----------+ |-+ ---+
                                          |HH        | |     /
                                        /----------+ | +    /
                                        | SRATES   | |/    /
                                      /----------+ |-+    /
                                     /          /| |     /
                                    /----------+ |-+    /
                                    |JOINT     | |     /
                                  /----------+ | +    /
                                  | SRATES   | |/    /
                                /----------+ |-+    > SRATES CARDS
                               /          /| |     /   PLANX, OPTIONAL
                              /----------+ |-+    /
                              |SINGLES   | |     /
                            /----------+ | +    /
                            | SRATES   | |/    /
                          /----------+ |-+    /
                          | SEND     | |     /
                        /----------+ |-+ ---+
                        |MODIFIERS | |
                      /----------+ |-+ ---+
                      | SPLNX    | |     /
                    /----------+ |-+    > SPLNX CARDS, OPTIONAL
                    | SCHANGE  | |     /
                  /----------+ |-+ ---+
                  |TITLEY    | |
                /----------+ |-+ ---- SCHANGE CARD, REQUIRED
                |TITLEX    | |
                |          |-+ ---+
                |          |     / TITLE CARDS, REQUIRED
                +----------+ ---+
```

FIG. 6.4.9: DECK CONSTRUCTION FOR TAX PARAMETER AND TAX RATE INPUT CARDS

```
                /----------+
               /           /|
              /           / |
             /           /  |
            /----------+    + ---+
            |           |   /    /
           /----------+ | /     > OTHER CARDS AS REQUIRED
          /           /| |/     /
         /----------+ |-+ ---+
         |           | |
       /----------+ | + ---+
       | SPLNZ     | |/     > SRATES CARDS PLANZ, OPTIONAL
       |           |-+ ---+
       |           |
       +----------+ ---+ SPLNZ CARDS, OPTIONAL
```

FIG. 6.4.9: DECK CONSTRUCTION FOR TAX PARAMETER AND TAX RATE INPUT CARDS

```
+-----------------------------------------------------------------
|         1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-----------------------------------------------------------------
|TITLEX PLAN X = THE STANDARD PLAN
|TITLEY PLAN Y = PLAN X
| $CHANGE NEWX=0, NEWY=2, NEWZ=0, $END
|  DMY(1,1,1)=0.,0.,0.,0.,0.,0.,0.,0.,0.,0.,
|  DMY(1,2,1)=0.,0.,0.,1.,3.,0.,0.,0.,0.,16.,
|  DMY(1,3,1)=0.,0.,0.,0.,0.,0.,0.,0.,0.,1700.,
|  DMY(1,4,1)=0.,0.,0.,0.,0.,0.,0.,0.,0.,0.,
|  DMY(1,5,1)=1.0+12,1.0+12,1.0+12,1.0+12,1.0+12,1.5+02,
|  1.0+12,1.0+12,1.0+12,2.4+03,
|  DMY(1,6,1)=100.,100.,100.,100.,100.,100.,100.,100.,100.,
|  100.,
|  DMY(1,7,1)=1.0E+12,1.0E+12,1.0E+12,1.0E+12,1.0E+12,
|  1.0E+12,1.0E+12,1.0E+12,1.0E+12,1.0E+12,
|  DMY(1,8,1)=0.,0.,0.,0.,0.,0.,0.,0.,0.,0.,
|  DMY(1,1,2)=0.,0.,0.,0.,0.,0.,0.,0.,0.,0.,
|  DMY(1,2,2)=0.,0.,0.,1.,3.,0.,0.,0.,0.,16.,
|  DMY(1,3,2)=0.,0.,0.,0.,0.,0.,0.,0.,0.,2100.,
|  DMY(1,4,2)=0.,0.,0.,0.,0.,0.,0.,0.,0.,0.,
|  DMY(1,5,2)=1.0+12,1.0+12,1.0+12,1.0+12,1.0+12,1.5+02,
|  1.0+12,1.0+12,1.0+12,2.8+03,
|  DMY(1,6,2)=100.,100.,100.,100.,100.,100.,100.,100.,100.,
|  100.,
|  DMY(1,7,2)=1.0E+12,1.0E+12,1.0E+12,1.0E+12,1.0E+12,
|  1.0E+12,1.0E+12,1.0E+12,1.0E+12,1.0E+12,
|  DMY(1,8,2)=0.,0.,0.,0.,0.,0.,0.,0.,0.,0.,
|  DMY(1,1,3)=0.,0.,0.,0.,0.,0.,0.,0.,0.,0.,
|  DMY(1,2,3)=0.,0.,0.,1.,3.,0.,0.,0.,0.,16.,
|  DMY(1,3,3)=0.,0.,0.,0.,0.,0.,0.,0.,0.,1700.,
|  DMY(1,4,3)=0.,0.,0.,0.,0.,0.,0.,0.,0.,0.,
|  DMY(1,5,3)=1.0+12,1.0+12,1.0+12,1.0+12,1.0+12,1.5+02,
|  1.0+12,1.0+12,1.0+12,2.4+03,
|  DMY(1,6,3)=100.,100.,100.,100.,100.,100.,100.,100.,100.,
|  100.,
|  DMY(1,7,3)=1.0E+12,1.0E+12,1.0E+12,1.0E+12,1.0E+12,
|  1.0E+12,1.0E+12,1.0E+12,1.0E+12,1.0E+12,
|  DMY(1,8,3)=0.,0.,0.,0.,0.,0.,0.,0.,0.,0.,
|  EY(1)=750.,750.,750.,750.,
|  EYCR(1)=35.0,0.,0.,35.0,
|  PINY(1)=1.,.5,1.,1.,0.,50000.,.35,.15,10000.,.5,
|  PINY(11)=.6,.5,.02,9000.,.2,3000.,4000.,.1,400.,4000.,
|  PINY(21)=10000.,2500.,3750.,.50,7500.,10000.,.15,900.,1200.,
|  PINY(30)=1450.,1200.,1700.,
|  DEY(1)=100.,200.,100.,
|  DCY(1)=0.,0.,0.,
```

```
+-----------------------------------------------------------------
|          1111111111222222222233333333334444444444555555555556
|12345678901234567890123456789012345678901234567890123456789 0
+-----------------------------------------------------------------
|  CAPY(1)=.5,.25,2000.,0.,
| $END
| $RATES  SCHD=2,  OPTION=1, $END
|5,
|0.,14.,0,
|1000.,15.,0,
|2000.,16.,0,
|3000.,17.,0,
|4000.,19.,0,
|8000.,22.,0,
|12000.,25.,0,
|16000.,28.,0,
|20000.,32.,0,
|24000.,36.,0,
|28000.,39.,0,
|32000.,42.,0,
|36000.,45.,0,
|40000.,48.,0,
|44000.,50.,0,
|52000.,53.,0,
|64000.,55.,0,
|76000.,58.,0,
|88000.,60.,0,
|100000.,62.,0,
|120000.,64.,0,
|140000.,66.,0,
|160000.,68.,0,
|180000.,69.,0,
|200000.,70.,0,
|0.,0.,-1,
| $RATES  SCHD=1, OPTION=3, $END
| $RATES  SCHD=3, OPTION=2, $END
| $RATES  OPTION=0, $END
```

FIG. 6.4.10: INPUT CARD DECK FOR PARTS 2 AND 3.

6.5. CONTROL STREAM FOR A TAX MODEL RUN.

IN ORDER TO MAKE A TAX MODEL RUN, SOME FILE MANIPULATION IS REQUIRED PRIOR TO THE ACTUAL INPUT OF THE DATA CARDS. THE BULK OF THE FILE MANIPULATION HAS BEEN PREPARED IN ADVANCE SO THAT ONLY THE CONTROL STATEMENTS SHOWN IN FIG. 6.5.1 ARE NEEDED TO PRODUCE A RUN FROM DATA CARDS. THE USER SHOULD PREPARE ONE CARD FOR EACH CONTROL STATEMENT BEGINNING IN COLUMN 1 ON THE CARD. THE INFORMATION PROCEEDED BY A PERIOD ON THE RIGHT HAND SIDE OF EACH CONTROL STATEMENT, NEED NOT BE INCLUDED ON THE CARD SINCE THIS INFORMATION IS A COMMENT AND THEREFORE, DOES NOT PRODUCE ANY ACTIONS BY THE COMPUTER SYSTEM.

THE NUMBER OF CARDS NECESSARY FOR MAKING A TAX MODEL RUN CAN BE MINIMIZED BY MAKING LINES 02 THROUGH 11 IN FIG. 6.5.1 AND ELEMENT OF A PROGRAM FILE, FOR EXAMPLE, 'RUNFILES.SETUP73'. IN ADDITION, LINES 12 THROUGH 31 OF FIG. 6.5.2 CAN BE CREATED AS AN ELEMENT OF A PROGRAM FILE, FOR EXAMPLE, 'RUNFILES.RUNXXX'. IF THESE ELEMENTS ARE CREATED, THEN THE CONTROL STREAM INSTRUCTIONS IN FIG. 6.5.2 REPRESENT THE MINIMUM NUMBER OF INSTRUCTIONS NECESSARY TO PRODUCE A TAX MODEL RUN. THIS APPROACH IS ESPECIALLY USEFUL WHEN THE USER IS WORKING IN DEMAND MODE SINCE IT ALLOWS HIM TO '*START' A RUN BY MAKING FIG. 6.5.2 AND ELEMENT IN THE SAME FILE, FOR EXAMPLE, 'RUNFILES.TARW00'. CONNSEQUENTLY, THE DEMAND USER CAN START A TAX MODEL RUN BY SIMPLY TYPING, IN DEMAND MODE, THE FOLLOWING INSTRUCTION.

```
*START RUNFILES.TARW00
```

THIS ASSUMES, OF COURSE, THAT THE FILE RUNFILES HAS BEEN RELEASED.

IN CONCLUSION, THE USER SHOULD NOTE THAT THE PARAMETERS ON THE 'RUN STATEMENT' MUST REFLECT THE SPECIFIC REQUIREMENTS FOR HIS RUN AND THERFORE, MAY DIFFER FROM THOSE SHOWN IN THE ILLUSTRATIONS PROVIDED HERE.

```
 @RUN TARW00,TARW,VER6,5,500                .01 RUN STATEMENT
 @ASG,T 10.,F/2//64                         .02 ASSIGN STORAGE FOR
                                                TABLE OUTPUT
 @ASG,T 14.,F/10//64                        .03 ASSIGN STORAGE FOR
                                                TABLEMAKER OUTPUT
 @ASG,T 16.,F/10//64                        .04 ASSIGN STORAGE FOR
                                                DIRECTORY UPDATE
 @ASG,A DATA*FILENAME1978.                  .05 ASSIGN THE 78 TAX
                                                SAMPLE
 @USE 7.,DATA*FILENAME1978.                 .06 EQUATE THE INTERNAL
                                                FILENAME 7 TO
                                                DATA*FILENAME1978.
 @ASG,AX MODEL-PROGRAM.                      .07 ASSIGN THE TAX MODEL
                                                SOURCE PROGRAM
 @ASG,T PFX.                                .08 ASSIGN TEMPORARY
                                                WORKING SPACE
 @COPY MODEL-PROGRAM.,PFX.                   .09 COPY THE TAX MODEL
                                                RELOCATABLE & SOURCE
                                                ELEMENTS TO TPFS
 @FREE MODEL-PROGRAM.                        .10 RELEASE THE TAX
MODEL
                                                FILE
 @ELT,IDN TPFS.TMDATA,,ENDL                 .11 INSERT THE ELEMENT
                                                TMDATA IN TPFS
 ************************************
 *  130, 131, 132, & 133 CARDS      *
 ************************************
 @END ENDL                                  .12 END OF TMDATA
 @XQT PFX.COVERP                            .13 EXECUTE COVER PAGE
                                                PROGRAM
 19781978                                   .14 LEVEL AND LAW OF THE
                                                RUN
 @ADD TMDATA                                .15 DATA FOR COVER PAGE
 @ELT,IDL TPFS.CSLIST,,ENDL                 .16 INSERT THE ELEMENT
                                                CSLIST IN TPFS
 @PACK PFX.                                 .17 PACK PFX.
 @PREP PFX.                                 .18 PREP PFX.
 @ADD PFX.XQT78                             .19 INSERT THE COLLECTOR
                                                INSTRUCTIONS (THIS
                                                ACCOMPLISHES THE
                                                OVERLAY)
 ************************************
 *   GENERAL LOGIC & EDITING CARDS  *
 ************************************
 @ADD TMDATA                                .20 INSERT DATA FOR THE
                                                TABLEMAKER OUTPUT
 ************************************
 *TITLEX&Y, $CHANGE, $PLNX,Y&Z, $RATE*
 ************************************
 @END ENDL                                  .21 END OF THE ELEMENT
```

```
                                                  CSLIST
@ADD CSLIST                                  .22 INSERT CSLIST INTO
                                                  THE INPUT STREAM
@ASG,AX STORE*ESTIMATES.                     .23 ASSIGN THE FILE WHERE
                                                  THE RESULTS ARE TO BE
                                                  STORED
@ELT,IDN STORE*ESTIMATES.RUNXXX,,FIN         .24 CREATES AN ELEMENT
                                                  OF THE NAME RUNXXXX
@ADD,D 14.                                   .25 ADDS THE RESULTS OF
                                                  THE TAX MODEL RUN
@END FIN                                     .26 SENTINEL CARD
@XQT PFX.UPDATE                              .27 EXECUTES THE UPDATE
                                                  PROGRAM
@ADD STORE*ESTIMATES.RUNXXXX                 .28 ADDS THE DATA FROM
                                                  THE CURRENT RUN
@ELT,IDN STORE*ESTIMATES.DIRECTORY,,FIN      .29 UPDATES THE
                                                  DIRECTORY TABLE
@ADD,D 16.                                   .30 ADDS THE NEW
                                                  DIRECTORY
@END FIN                                     .31 SENTINEL CARD
@FREE STORE*ESTIMATES.                       .32 RELEASE THE STORAGE
                                                  FILE
@FIN                                         .33 END OF RUN
```

FIG. 6.5.1: CONTROL STREAM INSTRUCTIONS FOR A TAX MODEL RUN SUBMITTED FROM CARDS

```
@RUN TARW00,TARW,VER6,5,500                  .01 RUN STATEMENT
@ASG,A RUNFILES.                             .02 ASSIGN THE INPUT FILE
@ADD RUNFILES.SETUP78                        .03 INSERT THE FILE
                                                  MANIPULATION CONTROL
                                                  STATEMENTS (SEE
                                                  SECTION 8.2.1)
@ADD RUNFILES.RUNXXXX                        .04 INSERT THE TAX
                                                  MODEL RUN
                                                  CONTROL STATEMENTS
                                                  AND DATA CARDS
@FIN                                         .05 END OF RUN
```

FIG. 6.5.2: THE MINIMUM CONTROL STREAM INSTRUCTIONS FOR A TAX MODEL RUN SUBMITTED FROM CARDS

7. A DESCRIPTION OF THE TAX MODEL OUTPUT.

7.1. INTRODUCTION.

THE PRINTED OUTPUT FROM A SUCCESSFUL TAX MODEL RUN CONSISTS OF TWO MAJOR SECTIONS. THE FIRST SECTION PROVIDES A DESCRIPTION OF THE INPUT PARAMETERS FOR THE VARIOUS PLANS AND THE SECOND SECTION PRESENTS THE TABULATED STATISTICS OBTAINED UNDER EACH TAX PLAN.

7.2. SECTION 1: INPUT PARAMETER OUTPUT.

7.2.1. SAMPLE DESCRIPTION.

THIS OUTPUT CONTAINS A PRINTOUT OF THE $SAMPLE CARD. THIS LIST DISPLAYS THE BASE YEAR OF THE SAMPLE, THE PROJECTED LEVEL OF THE SAMPLE, THE NUMBER OF RETURNS, AND OTHER DESCRIPTIVE INFORMATION. AN EXAMPLE OF THIS OUTPUT IS PROVIDED BY FIG. 7.2.1.

7.2.2. GENERAL LOGIC AND EDITING.

EACH DATA CARD BEARING A PART NUMBER OF 1 IS DISPLAYED IN THIS SECTION IN A FORMAT IDENTICAL TO THE INPUT FORMAT (EXCEPT FOR THE 110 CARD). IN ADDITION, ANY AND ALL OF THE OPTIONAL PART 1 CARDS THAT APPEAR IN THE INPUT DECK WILL BE LISTED. THIS IS FOLLOWED BY A TABLE WHICH DESCRIBES THE CONTENTS OF THE LOGIC SWITCHES THAT WERE INPUTTED ON DATA CARD 110. FINALLY, THE TITLE FOR PLAN X IS ENCLOSED IN A BOX AT THE BOTTOM OF THE PAGE. THIS OUTPUT IS ALSO ILLUSTRATED IN FIG. 7.2.1.

7.2.3. PLAN Y TITLE CARD AND DEDUCTION MATRIX OUTPUT.

SINCE THE PLAN Y TAX PARAMETERS ARE INITIALLY EQUATED TO THE PLAN X TAX PARAMETERS, THIS PAGE WILL BE INCLUDED IN THE OUTPUT ONLY IF DATA CARDS THAT MODIFY PLAN Y OR X ARE ENCOUNTERED IN THE INPUT DECK. WHEN THIS IS THE CASE, THE PAGE PRESENTED IN FIG. 7.2.2 WILL BE PRINTED WITH THE TITLE FOR PLAN Y APPEARING AT THE TOP OF THE PAGE.

```
TAX ANALYSIS PROGRAM - SECTION 1 SAMPLE DESCRIPTION
---------------------------------------------------------

$SAMPLE
NYEAR    =          +1975
NRET     =         +50000
NLEV     =          +1978
NSTOP    =             +0
NOCHCK   =             +0
NMAPD    =             +0
NMAPM    =             +0
MAPD     =             +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0
MAPM     =             +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0,         +0,
                       +0,         +0,         +0

$END
```

Fig. 7.2.1: Input Parameter Output and the Plan x Title Card

TAX ANALYSIS PROGRAM - SECTION 1 GENERAL LOGIC & EDITING

```
1   1   1000000000000100010001000000000000000000000000000000000000000
1   1   2000000000000000000000000000000000000000000000000000000000001
1   1   3000000000000100010001000000000000000000000000000000000000000
1   1   4000000000000000000000000000000000000000000000000000000000001
1   1   5000000000001
1   1   6000000000001
1   1   7000000000000000000000010000000000000000
1   1   8000000000000000000000000000000000000011000000000000000000000
1   3   0     05108
1   3   1TABLES
1   3   2SELECTED PAGES FROM ALL TABLES PLUS $1000 P.E.
1   3   31978 LAW AND LEVELS
```

LOGIC SWITCH	FUNCTION	OPTION	COLUMN	VALUE
1	RESERVED		16	0
2	RESERVED		17	0
3	RESERVED		18	0
4	DISPLAY OF A RETURN . .	NO	19	0
5	RESERVED		20	0
6	RESERVED		21	0
7	CLASSIFIER BREAKPOINTS.	STANDARD CLASSES	22	0
8	RESERVED		23	0
9	CLASSIFIER DEFINITION. .	EXPANDED INCOME	24	4
10	RESERVED	NO	25	0
11	TABLE 1 PRINTOUT	YES	26	1
12	TABLE 2 PRINTOUT	YES	27	1
13	TABLE 3 PRINTOUT	YES	28	1
14	TABLE 4 PRINTOUT	YES	29	1
15	SOURCE FOR TABLE 6 . . .	PLAN Y AGI	30	0
16	TABLE 6 PRINTOUT	YES	31	1
17	TABLE 7 PRINTOUT	YES	32	1
18	CALCULATE PLAN X	NO	33	0
19	BURDEN TABLES	NO	34	0
20	STORE RESULTS	YES	35	1

```
*****************************************************************
*  1978 LAW AT 1978 LEVELS                                      *
*****************************************************************
```

Fig. 7.2.1: Continued

DEDUCTION MATRIX, SCHEDULE 1

		FLOOR IS MAXIMUM OF				CEILING IS MINIMUM OF			
	LOGIC	AMOUNT	PCT. AGI	BASE +	AMT./EX	AMOUNT	PCT. AGI	BASE +	AMT./EX
CONTRIBUTIONS	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
INTEREST	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
TAXES	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
MEDICINE + DRUGS	1	0.	1.00	.00	.00	1.0+12	100.00	1.0+12	0.0
MEDICAL SERVICES	1	0.	3.00	.00	.00	1.0+12	100.00	1.0+12	0.0
MEDICAL INS. PREM.	1	0.	.00	.00	.00	1.5+02	100.00	1.0+12	0.0
ALL OTHER	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
STANDARD DED.			.00	2200.00	.00	2.2+03	100.00	1.0+12	
LOW INCOME ALLOWANCE		0.,	PHASE OUT	.00	TO ONE				

DEDUCTION MATRIX, SCHEDULE 2

		FLOOR IS MAXIMUM OF				CEILING IS MINIMUM OF			
	LOGIC	AMOUNT	PCT. AGI	BASE +	AMT./EX	AMOUNT	PCT. AGI	BASE +	AMT./EX
CONTRIBUTIONS	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
INTEREST	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
TAXES	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
MEDICINE + DRUGS	1	0.	1.00	.00	.00	1.0+12	100.00	1.0+12	0.0
MEDICAL SERVICES	1	0.	3.00	.00	.00	1.0+12	100.00	1.0+12	0.0
MEDICAL INS. PREM.	1	0.	.00	.00	.00	1.5+02	100.00	1.0+12	0.0
ALL OTHER	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
STANDARD DED.			.00	3200.00	.00	3.2+03	100.00	1.0+12	
LOW INCOME ALLOWANCE		0.,	PHASE OUT	.00	TO ONE				

DEDUCTION MATRIX, SCHEDULE 3

		FLOOR IS MAXIMUM OF				CEILING IS MINIMUM OF			
	LOGIC	AMOUNT	PCT. AGI	BASE +	AMT./EX	AMOUNT	PCT. AGI	BASE +	AMT./EX
CONTRIBUTIONS	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
INTEREST	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
TAXES	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
MEDICINE + DRUGS	1	0.	1.00	.00	.00	1.0+12	100.00	1.0+12	0.0
MEDICAL SERVICES	1	0.	3.00	.00	.00	1.0+12	100.00	1.0+12	0.0
MEDICAL INS. PREM.	1	0.	.00	.00	.00	1.5+02	100.00	1.0+12	0.0
ALL OTHER	0	0.	.00	.00	.00	1.0+12	100.00	1.0+12	0.0
STANDARD DED.			.00	2200.00	.00	2.2+03	100.00	1.0+12	
LOW INCOME ALLOWANCE		0.,	PHASE OUT	.00	TO ONE				

Fig. 7.2.2: Plan Y Title Card and the Plan Y Deduction Matrix Output

7.2.4. OTHER TAX PARAMETER OUTPUT.

AS WITH THE PREVIOUS PAGE, THIS PAGE IS PRINTED ONLY IF DATA CARDS THAT MODIFY PLAN X OR PLAN Y ARE ENCOUNTERED IN THE INPUT DECK. AS FIG. 7.2.3 ILLUSTRATES, THIS PAGE PROVIDES THE VALUES OF ALL THE REMAINNING TAX PARAMETERS EXCEPT THE TAX SCHEDULES. THE NUMBERS ENCLOSED IN PARENTHESIS IN FIG. 7.2.3 DO NOT APPEAR ON THE ACTUAL OUTPUT BUT ARE ADDED HERE TO REFERENCE THE SECTION IN CHAPTER 6 WHICH DESCRIBED THE INPUT DATA CARD THAT MODIFIES THE VALUES OF THE TAX PARAMETERS APPEARING ON THIS PAGE.

7.2.5. TAX SCHEDULES OUTPUT.

THIS IS THE LAST PAGE OF THE SECTION 1 OUTPUT AND ARE PRINTED ONLY IF DATA CARDS THAT MODIFY PLAN X OR Y ARE ENCOUNTERED IN THE INPUT DECK. AN EXAMPLE OF THE PAGES IN THIS OUTPUT ARE PROVIDED IN FIG. 7.2.4 AND ARE SELF-EXPLANATORY. MODIFICATIONS OF THE NUMBERS IN THE TAX SCHEDULES ARE ACCOMPLISHED BY USE OF THE DATA CARDS DESCRIBED IN 6.4 OF CHAPTER 6.

EXEMPTION ALLOWANCE AND EXEMPTION TAX CREDIT FOR ALL SCHEDULES

TYPE	ALLOWANCE	TAX CREDIT	MIN STD DED
FILER	E(1)= $ 1000.	ECR(1)= $ 35.	1.
AGED	E(2)= $ 1000.	ECR(2)= $ 35.	1.
BLIND	E(3)= $ 1000.	ECR(3)= $ 35.	1.
DEPNDT	E(4)= $ 1000.	ECR(4)= $ 35.	1.

ADJUSTMENTS TO AGI ALLOWED	PIN(1)	%	100.00
MAXIMUM RATE ON EARNED INCOME	PIN(2)	%	50.00
PERCENTAGE OF DEDUCTIONS ALLOWED	PIN(3)	%	100.00
PERCENTAGE OF EXEMPTIONS ALLOWED	PIN(4)	%	100.00
FLOOR ON PREFERENCES REDUCING EARNED INCOME	PIN(5)	$	.00
MAXIMUM AMOUNT OF SHELTERED ALTER. CAPITAL GAINS	PIN(6)	$	50000.00
RATE ON UNSHELTERED ALTERNATIVE CAPITAL GAINS	PIN(7)	%	35.00
MINIMUM RATE ON PREFERENCES	PIN(8)	%	15.00
FLOOR ON PREFERENCES FOR MINIMUM TAX	PIN(9)	$	10000.00
MEDICAL INSURANCE PREMIUM DEDUCTION	PIN(10)	%	50.00
EXCESS ITEMIZED DEDUCTIONS OVER AGI	PIN(11)	%	60.00
PERCENT OF REGULAR TAX TO OFFSET MINIMUM TAX	PIN(12)	%	50.00
PERCENTAGE FOR OPTIONAL TAXABLE INCOME CREDIT	PIN(13)	%	2.00
CEILING FOR OPTIONAL TAXABLE INCOME CREDIT	PIN(14)	$	9000.00
PERCENTAGE FOR CHILD CARE CREDIT	PIN(15)	%	20.00
AMOUNT PER DEPENDENT FOR CHILD CARE CREDIT	PIN(16)	$	2000.00
MAXIMUM AMOUNT FOR CHILD CARE CREDIT	PIN(17)	$	4000.00
PERCENTAGE FOR EARNED INCOME CREDIT	PIN(18)	%	10.00
MAXIMUM AMOUNT FOR EARNED INCOME CREDIT	PIN(19)	$	400.00
PHASEOUT OF EIC BEGINS AT AN AGI OF	PIN(20)	$	4000.00
LIMITATION ON INVESTMENT INTEREST EXPENSE	PIN(21)	$	10000.00
ELDERLY CREDIT: MAXIMUM AMOUNT S.T. CR, SINGLE	PIN(22)	$	2500.00
ELDERLY CREDIT: MAXIMUM AMOUNT S.T. CR, JOINT	PIN(23)	$	3750.00
ELDERLY CREDIT: REDUCTION BASED ON AGI	PIN(24)	%	50.00
ELDERLY CREDIT: REDUCTION ON AGI LEVEL, SINGLE	PIN(25)	$	7500.00
ELDERLY CREDIT: REDUCTION ON AGI LEVEL, JOINT	PIN(26)	$	10000.00
ELDERLY CREDIT: RATE OF CREDIT	PIN(27)	%	15.00
ELDERLY CREDIT: REDUCTION ON EI, AGE < 62	PIN(28)	$	900.00
ELDERLY CREDIT: REDUCTION ON EI, 62<= AGE < 72	PIN(29)	$	1200.00
ELDERLY CREDIT: REDUCTION ON EI, EI > PIN(32)	PIN(30)	$	1450.00
ELDERLY CREDIT: REDUCTION ON EI, LOWER LIMIT	PIN(31)	$	1200.00
ELDERLY CREDIT: REDUCTION ON EI, UPPER LIMIT	PIN(32)	$	1700.00
MAXIMUM ALLOWABLE DIVIDEND EXCLUSION, SCHEDULE 1	DE(1)	$	100.00
MAXIMUM ALLOWABLE DIVIDEND EXCLUSION, SCHEDULE 2	DE(2)	$	200.00
MAXIMUM ALLOWABLE DIVIDEND EXCLUSION, SCHEDULE 3	DE(3)	$	100.00

MAXIMUM ALLOWABLE DIVIDEND CREDIT IS ZERO

RATE OF CAPITAL GAINS EXCLUDED FROM AGI	CAP(1)	%	50.00
MAXIMUM (ALTERNATE) CAPITAL GAINS TAX RATE	CAP(2)	%	25.00

Fig. 7.2.3. Other Tax Parameter Output, Except Tax Schedules

```
MAXIMUM OFFSET AGAINST ORDINARY INCOME          CAP(3)  $  3000.00
LOSS OFFSET CONVENTION                          CAP(4)  %      .00
```

Fig. 7.2.3: Continued

SCHEDULE I. (A) SINGLE TAXPAYERS WHO DO NOT QUALIFY FOR RATES IN SCHEDULES II AND III.

IF THE AMOUNT OF TAXABLE INCOME IS OVER--	BUT NOT OVER--	THEN AS TAX BEFORE CREDIT ENTER	OF EXCESS OVER--	IF THE AMOUNT OF TAXABLE INCOME IS OVER--	BUT NOT OVER--	THEN AS TAX BEFORE CREDIT ENTER	OF EXCESS OVER--
$ 0. -	$ 500.....$	0. PLUS 14.0 PCT -	$ 0.	$ 20000. -	$ 22000.....$	5230. PLUS 38.0 PCT -	$ 20000.
$ 500. -	$ 1000.....$	70. PLUS 15.0 PCT -	$ 500.	$ 22000. -	$ 26000.....$	5990. PLUS 40.0 PCT -	$ 22000.
$ 1000. -	$ 1500.....$	145. PLUS 16.0 PCT -	$ 1000.	$ 26000. -	$ 32000.....$	7590. PLUS 45.0 PCT -	$ 26000.
$ 1500. -	$ 2000.....$	225. PLUS 17.0 PCT -	$ 1500.	$ 32000. -	$ 38000.....$	10290. PLUS 50.0 PCT -	$ 32000.
$ 2000. -	$ 4000.....$	310. PLUS 19.0 PCT -	$ 2000.	$ 38000. -	$ 44000.....$	13290. PLUS 55.0 PCT -	$ 38000.
$ 4000. -	$ 6000.....$	690. PLUS 21.0 PCT -	$ 4000.	$ 44000. -	$ 50000.....$	16590. PLUS 60.0 PCT -	$ 44000.
$ 6000. -	$ 8000.....$	1110. PLUS 24.0 PCT -	$ 6000.	$ 50000. -	$ 60000.....$	20190. PLUS 62.0 PCT -	$ 50000.
$ 8000. -	$ 10000.....$	1590. PLUS 25.0 PCT -	$ 8000.	$ 60000. -	$ 70000.....$	26390. PLUS 64.0 PCT -	$ 60000.
$ 10000. -	$ 12000.....$	2090. PLUS 27.0 PCT -	$ 10000.	$ 70000. -	$ 80000.....$	32790. PLUS 66.0 PCT -	$ 70000.
$ 12000. -	$ 14000.....$	2630. PLUS 29.0 PCT -	$ 12000.	$ 80000. -	$ 90000.....$	39390. PLUS 68.0 PCT -	$ 80000.
$ 14000. -	$ 16000.....$	3210. PLUS 31.0 PCT -	$ 14000.	$ 90000. -	$100000.....$	46190. PLUS 69.0 PCT -	$ 90000.
$ 16000. -	$ 18000.....$	3830. PLUS 34.0 PCT -	$ 16000.	$100000.....	.....$	53090. PLUS 70.0 PCT -	$100000.
$ 18000. -	$ 20000.....$	4510. PLUS 36.0 PCT -	$ 18000.	$			

SCHEDULE II. (A) MARRIED TAXPAYERS FILING JOINT RETURNS, (B) CERTAIN WIDOWS AND WIDOWERS, AND (C) MARRIED PERSONS FILING SEPERATE RETURNS (APPLIED AT 1/2 THE INTERVALS).

IF THE AMOUNT OF TAXABLE INCOME IS OVER--	BUT NOT OVER--	THEN AS TAX BEFORE CREDIT ENTER	OF EXCESS OVER--	IF THE AMOUNT OF TAXABLE INCOME IS OVER--	BUT NOT OVER--	THEN AS TAX BEFORE CREDIT ENTER	OF EXCESS OVER--
$ 0. -	$ 1000.....$	0. PLUS 14.0 PCT -	$ 0.	$ 40000. -	$ 44000.....$	12140. PLUS 48.0 PCT -	$ 40000.
$ 1000. -	$ 2000.....$	140: PLUS 15.0 PCT -	$ 1000.	$ 44000. -	$ 52000.....$	14060. PLUS 50.0 PCT -	$ 44000.
$ 2000. -	$ 3000.....$	290. PLUS 16.0 PCT -	$ 2000.	$ 52000. -	$ 64000.....$	18060. PLUS 53.0 PCT -	$ 52000.
$ 3000. -	$ 4000.....$	450. PLUS 17.0 PCT -	$ 3000.	$ 64000. -	$ 76000.....$	24420. PLUS 55.0 PCT -	$ 64000.
$ 4000. -	$ 8000.....$	620. PLUS 19.0 PCT -	$ 4000.	$ 76000. -	$ 88000.....$	31020. PLUS 58.0 PCT -	$ 76000.
$ 8000. -	$ 12000.....$	1380. PLUS 22.0 PCT -	$ 8000.	$ 88000. -	$100000.....$	37980. PLUS 60.0 PCT -	$ 88000.
$ 12000. -	$ 16000.....$	2260. PLUS 25.0 PCT -	$ 12000.	$100000. -	$120000.....$	45180. PLUS 62.0 PCT -	$100000.
$ 16000. -	$ 20000.....$	3260. PLUS 28.0 PCT -	$ 16000.	$120000. -	$140000.....$	57580. PLUS 64.0 PCT -	$120000.
$ 20000. -	$ 24000.....$	4380. PLUS 32.0 PCT -	$ 20000.	$140000. -	$160000.....$	70380. PLUS 66.0 PCT -	$140000.
$ 24000. -	$ 28000.....$	5660. PLUS 36.0 PCT -	$ 24000.	$160000. -	$180000.....$	83580. PLUS 68.0 PCT -	$160000.
$ 28000. -	$ 32000.....$	7100. PLUS 39.0 PCT -	$ 28000.	$180000. -	$200000.....$	97180. PLUS 69.0 PCT -	$180000.
$ 32000. -	$ 36000.....$	8660. PLUS 42.0 PCT -	$ 32000.	$200000.....	.....$	110980. PLUS 70.0 PCT -	$200000.
$ 36000. -	$ 40000.....$	10340. PLUS 45.0 PCT -	$ 36000.	$			

Fig. 7.2.4: Tax Schedules Output

SCHEDULE III. UNMARRIED (OR LEGALLY SEPARATED) TAXPAYERS WHO QUALIFY AS HEAD OF HOUSEHOLD.

IF THE AMOUNT OF TAXABLE INCOME IS OVER--	BUT NOT OVER--	THEN AS TAX BEFORE CREDIT ENTER	OF EXCESS OVER--	IF THE AMOUNT OF TAXABLE INCOME IS OVER--	BUT NOT OVER--	THEN AS TAX BEFORE CREDIT ENTER	OF EXCESS OVER--
$ 0.	$ 1000.....$	0. PLUS 14.0 PCT	- $ 0.	$ 36000.	$ 38000.....$	11280. PLUS 48.0 PCT	- $ 36000.
$ 1000.	$ 2000.....$	140. PLUS 16.0 PCT	- $ 1000.	$ 38000.	$ 40000.....$	12240. PLUS 51.0 PCT	- $ 38000.
$ 2000.	$ 4000.....$	300. PLUS 18.0 PCT	- $ 2000.	$ 40000.	$ 44000.....$	13260. PLUS 52.0 PCT	- $ 40000.
$ 4000.	$ 6000.....$	660. PLUS 19.0 PCT	- $ 4000.	$ 44000.	$ 50000.....$	15340. PLUS 55.0 PCT	- $ 44000.
$ 6000.	$ 8000.....$	1040. PLUS 22.0 PCT	- $ 6000.	$ 50000.	$ 52000.....$	18640. PLUS 56.0 PCT	- $ 50000.
$ 8000.	$ 10000.....$	1480. PLUS 23.0 PCT	- $ 8000.	$ 52000.	$ 64000.....$	19760. PLUS 58.0 PCT	- $ 52000.
$ 10000.	$ 12000.....$	1940. PLUS 25.0 PCT	- $ 10000.	$ 64000.	$ 70000.....$	26720. PLUS 59.0 PCT	- $ 64000.
$ 12000.	$ 14000.....$	2440. PLUS 27.0 PCT	- $ 12000.	$ 70000.	$ 76000.....$	30260. PLUS 61.0 PCT	- $ 70000.
$ 14000.	$ 16000.....$	2980. PLUS 28.0 PCT	- $ 14000.	$ 76000.	$ 80000.....$	33920. PLUS 62.0 PCT	- $ 76000.
$ 16000.	$ 18000.....$	3540. PLUS 31.0 PCT	- $ 16000.	$ 80000.	$ 88000.....$	36400. PLUS 63.0 PCT	- $ 80000.
$ 18000.	$ 20000.....$	4160. PLUS 32.0 PCT	- $ 18000.	$ 88000.	$100000.....$	41440. PLUS 64.0 PCT	- $ 88000.
$ 20000.	$ 22000.....$	4800. PLUS 35.0 PCT	- $ 20000.	$100000.	$120000.....$	49120. PLUS 66.0 PCT	- $100000.
$ 22000.	$ 24000.....$	5500. PLUS 36.0 PCT	- $ 22000.	$120000.	$140000.....$	62320. PLUS 67.0 PCT	- $120000.
$ 24000.	$ 26000.....$	6220. PLUS 38.0 PCT	- $ 24000.	$140000.	$160000.....$	75720. PLUS 68.0 PCT	- $140000.
$ 26000.	$ 28000.....$	6980. PLUS 41.0 PCT	- $ 26000.	$160000.	$180000.....$	89320. PLUS 69.0 PCT	- $160000.
$ 28000.	$ 32000.....$	7800. PLUS 42.0 PCT	- $ 28000.	$180000.....		$103120. PLUS 70.0 PCT	- $180000.
$ 32000.	$ 36000.....$	9480. PLUS 45.0 PCT	- $ 32000.	$			

Fig. 7.2.4 Continued

7.3. SECTION 2: INTERMEDIATE OUTPUT.

FIGURE 7.3.1 PRESENTS THE INTERMEDIATE OUTPUT. THIS OUTPUT CONSISTS OF VARIOUS PIECES OF INFORMATION:

(A) LINE 2 SHOWS THE AMOUNT OF ADDITIONAL CORE REQUIRED FOR TABULATING THE OPTIONAL TABLES. IF NO OPTIONAL TABLES WERE REQUESTED, THIS LINE WILL READ " 0 ADDITIONAL SPACES USED FOR OUTPUT TABLES".

(B) LINES 3 THRU 7 DESCRIBE THE BASE YEAR OF THE SAMPLE, THE PROJECTED LEVEL OF THE SAMPLE, THE NUMBER OF RETURNS IN THE SAMPLE, THE NUMBER OF WORDS IN EACH RECORD, AND THE MAXIMUM NUMBER OF BLOCKS OF 1792 WORDS IN THIS SAMPLE.

(C) LINES 8 THRU 10 CONTAIN AN ALPHANUMERIC DESCRIPTION OF THE TAX SAMPLE USED FOR THIS SIMULATION.

(D) LINES 11 AND 12 ARE PRINTED WHEN THE TAX SAMPLE IS CLOSED. LINE 11 SHOWS THE NUMBER OF RETURNS PROCESSED BY THE TAX MODEL, USUALLY 50,160. LINE 12 SHOWS THE NUMBER OF BLOCKS OF DATA READ AND THE VALUE OF THE STATUS WORD FOR EACH INPUT BUFFER. IF THE RUN EXECUTES NORMALLY ONE OF THESE STATUS WORDS SHOULD HAVE A VALUE OF -2 AND THE OTHER SHOULD HAVE A VALUE OF 1792.

(E) LINES 14 THRU 16 PROVIDE AN ACCOUNTING OF THE RETURNS READ FROM THE TAX SAMPLE AND HOW MANY WERE OR WERE NOT USED IN CONSTRUCTING THE TABLES.

(F) LINES 17 AND 18 SHOW HOW MANY WEIGHTED RETURNS PREFERRED PLAN Y AS OPPOSED TO PLAN X OR IN THE CASE OF TWO TAX PLANS, HOW MANY WEIGHTED RETURNS CHOSE PLAN Y OR PLAN Z AS OPPOSED TO PLAN X.

(G) LINES 19 AND 20 PROVIDE SOME BRIEF SUMMARY INFORMATION ON THE TAXATION OF CAPITAL GAINS UNDER THE ALTERNATIVE TREATMENT.

(H) LINES 21 AND 22 SHOW HOW MAY RETURNS WERE NOT READ DURING THE SIMULATION. IF ALL OF THE RETURNS WERE PROPERLY READ, LINE 22 WILL CONTAIN ALL ZEROES.

```
                    TAX ANALYSIS PROGRAM - INTERMEDIATE OUTPUT

                    22476 ADDITIONAL SPACES USED FOR OUTPUT TABLES

 1975 TAX FILE OPENED.
PROJECTED LEVEL IS 1978
NUMBER OF RETURNS EXPECTED IS  50000
NUMBER OF WORDS PER RECORD IS 234
NUMBER OF BLOCKS PER REEL IS 7000


CONTENTS:
1978 1/2-SAMPLE: MAPPED & PACKED, W/IMPT & SELECTED MERGE DATA: MAY 1978.
1975 BASE, 1978 LEVELS, 1978 LAW, EDITED BY OTA: #4420-6.

 1975 TAX FILE CLOSED, NUMBER OF RETURNS PROCESSED IS      50000

NUMBER OF BLOCKS =  2306 STATUS WORDS =  1792  1792 IBP =   1

                          PHASE 2 OUTPUT STATISTICS


                     50000 RETURNS READ FROM TAX RETURN FILE
                     50000 RETURNS USED TO CONSTRUCT TABLES
                         0 RETURNS NOT USED TO CONSTRUCT TABLES

                  88500400. RETURNS CHOSE PLAN Y
                         0. RETURNS CHOSE PLAN Z

                  CAPITAL GAIN INCOME TAXABLE AT ALT RATE UNDER PLAN Y IS **********
                  ALTERNATE CAPITAL GAINS RATE FOR PLAN Y IS       .25

          NUMBER OF RETURNS READ MINUS NUMBER OF RETURNS EXPECTED DISTRIBUTED BY SAMPLE CLASS
   0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0
```

Fig. 7.3.1: Intermediate Output

7.4. SECTION 3: TABULATED TAX STATISTICS.

7.4.1. TITLE PAGE.

FIG. 7.4.1 PRESENTS THE PLAN Y TITLE PAGE THAT PRECEEDS ALL OF THE TABULATED TAX STATISTICS. ON THE SECOND LINE, THE USER WILL FIND THE VERSION OF THE TAX MODEL EMPLOYED TO MAKE THE RUN, THE DATE THE RUN WAS PERFORMED, AND THE TIME OF DAY THE RUN WAS COMPLETED.

7.4.2. TAX CHANGE BY PERCENT CHANGE IN TAX.

AS ITS TITLE IMPLIES, TABLE 1 CONTAINS INFORMATION ON THE EFFECTS OF A PROPOSED TAX LAW CHANGE DISTRIBUTED BY THE PERCENTAGE CHANGE IN TAX LIABILITY. FIG. 7.4.2 PRESENTS SELECTED PAGES FROM THE 120 PAGES THAT CAN BE PRODUCED FOR THIS TABLE. THE USER WILL NOTE THAT CONSIDERABLE DETAIL HAS BEEN ACHIEVED BY DISTRIBUTING RETURNS INTO NON-TAXABLE AND TAXABLE CATEGORIES AND SUBDIVIDING EACH CATEGORY INTO THOSE WHICH INCURRED A TAX INCREASE AND THOSE WHICH INCURRED A TAX DECREASE. BY DISTRIBUTING RETURNS IN THIS MANNER, THE ANALYSIS OF COMPLEX TAX PROPOSALS CONTAINNING SEPERATE PROVISIONS FOR BOTH INCREASING AND DECREASING TAX LIABILITY IS EASILY FACILITATED. ANOTHER USEFUL FEATURE IN TABLE 1 IS THE COLUMN WHICH REPORTS THE NUMBER OF RETURNS IN THE SAMPLE FOR EACH CATEGORY. HOWEVER, CAUTION SHOULD BE EXCERCISED IN DRAWING CONCLUSIONS WHEN THE NUMBER OF SAMPLE RETURNS IS SMALL FOR THIS IMPLIES A HIGH SAMPLING VARIABILITY OF THE ESTIMATES IN THAT CELL.

THE COMPUTATION OF TABLE 1 IS CONTROLLED BY LOGIC SWITCH NUMBER 11 AS DOCUMENTED IN 6.2.2. WHEN THE COMPUTATION OF TABLE 1 REQUESTED, THE PRINT CONTROL CARDS DOCUMENTED IN 6.2.3 ARE REQUIRED.

```
*****************************************************************************
**TREASURY TAX MODEL: VERSION 6; JANUARY 1978**  RUN# 5108   DONE ON 061278 AT 144709

PLAN X =  1978 LAW AT 1978 LEVELS

PLAN Y = TABLES
         SELECTED PAGES FROM ALL TABLES PLUS $1000 P.E.
         1978 LAW AND LEVELS

*****************************************************************************
```

Fig. 7.4.1: Title Page

TREASURY TAX MODEL: VERSION 6; JANUARY 1978 RUN# 5108 DONE ON 061278 AT 144709
TABLE 1. EFFECTS OF PROPOSED TAX LAW CHANGE BY PERCENT CHANGE IN TAX LIABILITY

RETURNS FOR WHICH EXPANDED INCOME = $ 5000. - $ 10000.

RETURNS WITH ITEMIZED DEDUCTION

SCHEDULE 1

PERCENT CHANGE IN TAX LIABILITY	NO. RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	EST. AGGREGATE TAX CHANGE (THOUSANDS)	AVERAGE TAX CHANGE	PCT. DISTRIBUTION OF AGGREGATE NO. OF RETURNS		EST. AGGREGATE ORIGINAL AGI (MILLIONS)	PRES EST. AGGR TAX AFT. CREDIT (MILLIONS)
PRESENTLY TAXABLE								
TAX INCREASE								
.0 - 2.0	0	0.	0.	.00	.00	(.00)	.00	.00
2.0 - 4.0	0	0.	0.	.00	.00	(.00)	.00	.00
4.0 - 6.0	0	0.	0.	.00	.00	(.00)	.00	.00
6.0 - 10.0	0	0.	0.	.00	.00	(.00)	.00	.00
10.0 - 25.0	0	0.	0.	.00	.00	(.00)	.00	.00
25.0 - ****	0	0.	0.	.00	.00	(.00)	.00	.00
NO CHANGE (1C)	0	0.	0.	.00	.00	(.00)	.00	.00
TAX DECREASE								
.0 - 5.0	13	54863.	-2845.	-51.85	8.42	(8.42)	512.31	60.41
5.0 - 10.0	34	146561.	-6776.	-46.23	22.48	(30.90)	1167.15	103.73
10.0 - 15.0	20	90038.	-6140.	-68.19	13.81	(44.71)	731.86	49.22
15.0 - 20.0	15	66446.	-3921.	-59.01	10.19	(54.90)	438.86	23.12
20.0 - 25.0	11	46216.	-4113.	-88.99	7.09	(61.99)	366.58	18.98
25.0 - 30.0	5	22272.	-1857.	-83.37	3.42	(65.41)	180.43	6.58
30.0 - 40.0	7	31464.	-2031.	-64.54	4.83	(70.24)	178.52	5.88
40.0 - 50.0	4	18607.	-1342.	-72.12	2.85	(73.09)	119.50	3.05
50.0 - 99.8	4	18333.	-1607.	-87.66	2.81	(75.90)	103.01	2.42
99.8 - ****	11	48143.	-1768.	-36.72	7.39	(83.29)	273.62	1.77
TAXABLE SUBTOTAL	124	542941.	-32398.	-59.67	83.29	(83.29)	4071.84	275.16
PRESENTLY NON-TAXABLE								
NO CHANGE	26	108928.	0.	.00	16.71	(*****)	670.84	.00
TAX INCREASE	0	0.	0.	.00	.00	(*****)	.00	.00
TOTALS	150	651869.	-32398.	-49.70	100.00	(100.00)	4742.68	275.16

Fig. 7.4.2: Table 1, Selected Pages

RETURNS FOR WHICH EXPANDED INCOME = $ 5000. - $ 10000.

RETURNS WITH STANDARD DEDUCTION

SCHEDULE 1

ERCENT CHANGE N TAX LIABILITY	NO. RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	EST. AGGREGATE TAX CHANGE (THOUSANDS)	AVERAGE TAX CHANGE	PCT. DISTRIBUTION OF AGGREGATE NO. OF RETURNS		EST. AGGREGATE ORIGINAL AGI (MILLIONS)	PRES EST. AGGR TAX AFT. CREDIT (MILLIONS)
PRESENTLY TAXABLE								
TAX INCREASE								
.0 - 2.0	0	0.	0.	.00	.00	(.00)	.00	.00
2.0 - 4.0	0	0.	0.	.00	.00	(.00)	.00	.00
4.0 - 6.0	0	0.	0.	.00	.00	(.00)	.00	.00
6.0 - 10.0	0	0.	0.	.00	.00	(.00)	.00	.00
10.0 - 25.0	0	0.	0.	.00	.00	(.00)	.00	.00
25.0 - ****	0	0.	0.	.00	.00	(.00)	.00	.00
NO CHANGE (1C)	0	0.	0.	.00	.00	(.00)	.00	.00
TAX DECREASE								
.0 - 5.0	218	942338.	-49633.	-52.67	10.36	(10.36)	8929.81	1042.63
5.0 - 10.0	1169	5081806.	-237777.	-46.79	55.86	(66.22)	37811.48	3577.95
10.0 - 15.0	424	1858737.	-95765.	-51.52	20.43	(86.66)	11121.61	783.35
15.0 - 20.0	30	133116.	-12156.	-91.32	1.46	(88.12)	994.73	70.98
20.0 - 25.0	42	182876.	-17374.	-95.00	2.01	(90.13)	1288.92	79.33
25.0 - 30.0	38	165408.	-15111.	-91.36	1.82	(91.95)	1052.16	55.46
30.0 - 40.0	51	222437.	-19735.	-88.72	2.45	(94.39)	1315.90	57.89
40.0 - 50.0	23	102511.	-9713.	-94.75	1.13	(95.52)	596.24	21.40
50.0 - 99.8	47	205722.	-20549.	-99.89	2.26	(97.78)	1204.82	32.70
99.8 - ****	14	58122.	-4092.	-70.40	.64	(98.42)	359.60	4.09
TAXABLE SUBTOTAL	2056	8953073.	-481905.	-53.83	98.42	(98.42)	64675.26	5725.79
PRESENTLY NON-TAXABLE								
NO CHANGE	33	143652.	0.	.00	1.58	(*****)	873.02	.00
TAX INCREASE	0	0.	0.	.00	.00	(*****)	.00	.00
TOTALS	2089	9096724.	-481905.	-52.98	100.00	(100.00)	65548.28	5725.79

Fig. 7.4.2: Continued

RETURNS FOR WHICH EXPANDED INCOME = $ 5000. - $ 10000.

RETURNS FOR BOTH TYPES DEDUCTION

SCHEDULE 1

PERCENT CHANGE IN TAX LIABILITY	NO. RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	EST. AGGREGATE TAX CHANGE (THOUSANDS)	AVERAGE TAX CHANGE	PCT. DISTRIBUTION OF AGGREGATE NO. OF RETURNS		EST. AGGREGATE ORIGINAL AGI (MILLIONS)	PRES EST. AGGR TAX AFT. CREDIT (MILLIONS)
PRESENTLY TAXABLE								
TAX INCREASE								
.0 - 2.0	0	0.	0.	.00	.00	(.00)	.00	.00
2.0 - 4.0	0	0.	0.	.00	.00	(.00)	.00	.00
4.0 - 6.0	0	0.	0.	.00	.00	(.00)	.00	.00
6.0 - 10.0	0	0.	0.	.00	.00	(.00)	.00	.00
10.0 - 25.0	0	0.	0.	.00	.00	(.00)	.00	.00
25.0 - ****	0	0.	0.	.00	.00	(.00)	.00	.00
NO CHANGE (1C)	0	0.	0.	.00	.00	(.00)	.00	.00
TAX DECREASE								
.0 - 5.0	231	997201.	-52478.	-52.63	10.23	(10.23)	9442.11	1103.04
5.0 - 10.0	1203	5228368.	-244552.	-46.77	53.63	(63.86)	38978.64	3681.68
10.0 - 15.0	444	1948775.	-101905.	-52.29	19.99	(83.85)	11853.47	832.57
15.0 - 20.0	45	199562.	-16077.	-80.56	2.05	(85.90)	1433.59	94.11
20.0 - 25.0	53	229091.	-21487.	-93.79	2.35	(88.25)	1655.50	98.30
25.0 - 30.0	43	187681.	-16968.	-90.41	1.93	(90.17)	1232.59	62.04
30.0 - 40.0	58	253901.	-21766.	-85.73	2.60	(92.78)	1494.42	63.77
40.0 - 50.0	27	121118.	-11055.	-91.28	1.24	(94.02)	715.74	24.45
50.0 - 99.8	51	224054.	-22156.	-98.89	2.30	(96.32)	1307.82	35.12
99.8 - ****	25	106264.	-5860.	-55.14	1.09	(97.41)	633.23	5.86
TAXABLE SUBTOTAL	2180	9496014.	-514303.	-54.16	97.41	(97.41)	68747.10	6000.95
PRESENTLY NON-TAXABLE								
NO CHANGE	59	252579.	0.	.00	2.59	(*****)	1543.86	.00
TAX INCREASE	0	0.	0.	.00	.00	(*****)	.00	.00
TOTALS	2239	9748593.	-514303.	-52.76	100.00	(100.00)	70290.95	6000.95

Fig. 7.4.2: Continued

TABLE 1. EFFECTS OF PROPOSED TAX LAW CHANGE BY PERCENT CHANGE IN TAX LIABILITY

RETURNS FOR ALL EXPANDED INCOME CLASSES

RETURNS FOR BOTH TYPES DEDUCTION

ALL SCHEDULES

PERCENT CHANGE IN TAX LIABILITY	NO. RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	EST. AGGREGATE TAX CHANGE (THOUSANDS)	AVERAGE TAX CHANGE	PCT. DISTRIBUTION OF AGGREGATE NO. OF RETURNS		EST. AGGREGATE ORIGINAL AGI (MILLIONS)	PRES EST. AGGR TAX AFT. CREDIT (MILLIONS)
PRESENTLY TAXABLE								
TAX INCREASE								
.0 - 2.0	0	0.	0.	.00	.00	(.00)	.00	.00
2.0 - 4.0	0	0.	0.	.00	.00	(.00)	.00	.00
4.0 - 6.0	0	0.	0.	.00	.00	(.00)	.00	.00
6.0 - 10.0	1	181.	121.	669.65	.00	(.00)	1.24	1.57
10.0 - 25.0	0	0.	0.	.00	.00	(.00)	.00	.00
25.0 - ****	0	0.	0.	.00	.00	(.00)	.00	.00
NO CHANGE (1C)	62	848.	0.	.00	.00	(.00)	-152.33	10.46
TAX DECREASE								
.0 - 5.0	21590	17461102.	-2702354.	-154.76	19.73	(19.73)	488649.68	109390.64
5.0 - 10.0	12255	21035116.	-3528137.	-167.73	23.77	(43.50)	378756.91	50897.64
10.0 - 15.0	4707	10699674.	-1901523.	-177.72	12.09	(55.59)	159239.64	15947.91
15.0 - 20.0	1454	3825264.	-683355.	-178.64	4.32	(59.91)	49161.19	3966.08
20.0 - 25.0	845	2555408.	-425944.	-166.68	2.89	(62.80)	29139.26	1912.75
25.0 - 30.0	549	1839620.	-264702.	-143.89	2.08	(64.88)	17479.75	967.13
30.0 - 40.0	662	2248057.	-325967.	-145.00	2.54	(67.42)	20548.25	955.13
40.0 - 50.0	377	1322844.	-180549.	-136.49	1.49	(68.91)	11202.34	404.73
50.0 - 99.8	756	2636519.	-345628.	-131.09	2.98	(71.89)	21531.61	520.52
99.8 - ****	707	2665451.	-176999.	-66.41	3.01	(74.90)	18387.55	164.52
TAXABLE SUBTOTAL	43965	66290082.	-10535037.	-158.92	74.90	(74.90)	1193945.03	185139.08
PRESENTLY NON-TAXABLE								
NO CHANGE	6035	22209703.	-37171.	-1.67	25.10	(*****)	56050.31	-991.38
TAX INCREASE	0	0.	0.	.00	.00	(*****)	.00	.00
TOTALS	50000	88499784.	-10572207.	-119.46	100.00	(100.00)	1249995.34	184147.70

Fig. 7.4.2: Continued

7.4.3. TABLE 1A: SUMMARY OF THE EFFECTS OF THE PROPOSAL.

TABLE 1A PROVIDES A SUMMARY OF THE EFFECTS OF THE PROPOSED CHANGE IN THE TAX LAW AND CONSISTS OF FOUR PAGES, ONE FOR EACH OF THE THREE TAX RATE SCHEDULES, AND A SUMMARY FOR ALL SCHEDULES. FIGURE. 7.4.3 PRESENTS AN EXAMPLE OUTPUT FOR THIS TABLE.

THREE FEATURES OF TABLE 1A ARE NOTEWORTHY:

(A) THIS TABLE PROVIDES THE ONLY BREAKDOWN OF TAXABLE INCOME UNDER THE PROPOSED TAX LAW CHANGE WHICH CORRESPONDS WITH THE STATISTICS OF INCOME CONCEPT OF TAXABLE INCOME, THAT IS, IT INCLUDES CAPITAL GAINS INCOME TAXABLE AT THE ALTERNATIVE RATE.*

(B) THE FIGURES FOR TAX CHANGE, ADJUSTED GROSS INCOME, NUMBER OF RETURNS, SCHEDULE, AND TYPE OF DEDUCTION IN TABLE 1A ARE CONSISTENT, WITHIN ROUND-OFF ERROR, WITH THE CORRESPONDING FIGURES FOR TABLES 1 AND 2.

(C) TABLE 1A TOGETHER WITH TABLE 5 PROVIDES A COMPREHENSIVE AGGREGATE PICTURE OF THE REVENUE AND DISTRIBUTIONAL EFFECTS OF THE PROPOSED TAX LAW CHANGES WHILE TABLES 1 AND 2 FILL IN THE DETAILS OF THIS PICTURE.

ALTHOUGH TABLE 1A HAS BEEN INCLUDED IN THIS DOCUMENT FOLLOWING TABLE 1, IT APPEARS IN THE ACTUAL OUTPUT AS THE LAST SET OF TABLES. IN ADDITION, TABLE 1A IS NOT UNDER THE CONTROL OF ANY PRINT SWITCHES AND THEREFORE, IS ALWAYS COMPUTED AND PRINTED.

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* THIS IS NOT THE PROCEDURE EMPLOYED IN TABLE 6, FOR DETAILS SEE 7.4.8.

SCHEDULE 1

EXPANDED INCOME	NUMBER OF RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	ORIGINAL TAXABLE INCOME (MILLIONS)	CHANGE IN TAXABLE INCOME (MILLIONS)	ORIGINAL AGI (MILLIONS)	ORIGINAL TAX AFTER CREDITS (MILLIONS)
RETURNS WITH ITEMIZED DEDUCTION							
$********-$ 5000.	52.	222106.	-3.005	117.04	-39.23	811.16	11.90
$ 5000.-$ 10000.	150.	651869.	-32.398	1935.89	-202.92	4742.68	275.16
$ 10000.-$ 15000.	244.	837519.	-61.696	6830.63	-270.60	10532.27	1232.00
$ 15000.-$ 20000.	314.	857505.	-77.035	10783.02	-273.62	14786.35	2261.60
$ 20000.-$ 30000.	459.	667206.	-77.769	11811.37	-230.68	15748.95	2832.98
$ 30000.-$ 50000.	284.	231620.	-36.929	6489.57	-85.59	8378.76	1915.31
$ 50000.-$ 100000.	251.	84356.	-19.617	4290.34	-34.33	5373.22	1677.56
$ 100000.-$ 200000.	172.	20482.	-5.554	1867.19	-9.19	2433.45	917.15
$ 200000.-$********	443.	6747.	-1.875	2425.13	-2.94	3279.21	1582.03
TOTALS	2369.	3579409.	-315.878	46550.19	-1149.10	66086.05	12705.68
RETURNS WITH STANDARD DEDUCTION							
$********-$ 5000.	3960.	16809083.	-150.385	4756.98	-1284.50	36797.10	516.33
$ 5000.-$ 10000.	2089.	9096776.	-481.906	37295.33	-2717.91	65548.42	5725.80
$ 10000.-$ 15000.	1091.	3966790.	-285.227	35963.24	-1194.52	48278.73	6682.40
$ 15000.-$ 20000.	506.	1428459.	-128.325	19677.25	-434.30	24122.77	4232.92
$ 20000.-$ 30000.	325.	521645.	-60.864	10340.52	-168.22	11992.81	2602.92
$ 30000.-$ 50000.	99.	85019.	-13.428	2559.59	-29.42	2830.18	781.78
$ 50000.-$ 100000.	32.	12299.	-2.838	689.84	-4.64	729.21	275.33
$ 100000.-$ 200000.	5.	525.	-.106	50.81	-.17	51.42	24.72
$ 200000.-$********	6.	96.	-.021	28.55	-.03	28.78	17.65
TOTALS	8113.	31920691.	-1123.099	111362.11	-5833.72	190379.41	20859.85
RETURNS FOR BOTH TYPES DEDUCTION							
$********-$ 5000.	4012.	17031189.	-153.390	4874.02	-1323.73	37608.26	528.23
$ 5000.-$ 10000.	2239.	9748645.	-514.304	39231.22	-2920.83	70291.10	6000.96
$ 10000.-$ 15000.	1335.	4804309.	-346.923	42793.87	-1465.12	58811.00	7914.39
$ 15000.-$ 20000.	820.	2285963.	-205.360	30460.27	-707.92	38909.11	6494.52
$ 20000.-$ 30000.	784.	1188851.	-138.632	22151.89	-398.90	27741.75	5435.90
$ 30000.-$ 50000.	383.	316638.	-50.357	9049.17	-115.01	11208.94	2697.08
$ 50000.-$ 100000.	283.	96655.	-22.455	4980.17	-38.97	6102.44	1952.89
$ 100000.-$ 200000.	177.	21007.	-5.660	1918.00	-9.36	2484.87	941.87
$ 200000.-$********	449.	6843.	-1.896	2453.69	-2.97	3307.99	1599.68
TOTALS	10482.	35500100.	-1438.977	157912.30	-6982.81	256465.46	33565.53

Fig. 7.4.3: Table 1A

SCHEDULE 2

EXPANDED INCOME	NUMBER OF RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	ORIGINAL TAXABLE INCOME (MILLIONS)	CHANGE IN TAXABLE INCOME (MILLIONS)	ORIGINAL AGI (MILLIONS)	ORIGINAL TAX AFTER CREDITS (MILLIONS)
RETURNS WITH ITEMIZED DEDUCTION							
$********-$ 5000.	61.	184718.	-.986	39.59	-13.68	728.75	-3.28
$ 5000.-$ 10000.	316.	1233826.	-90.151	2942.27	-729.61	10056.89	319.71
$ 10000.-$ 15000.	987.	2896607.	-423.272	18052.48	-2468.78	37089.20	2570.06
$ 15000.-$ 20000.	1786.	4193735.	-818.702	43711.74	-3817.65	73615.23	7158.65
$ 20000.-$ 30000.	6580.	7387294.	-1826.088	122097.55	-6965.59	182263.72	23650.21
$ 30000.-$ 50000.	6409.	4590388.	-1507.946	123789.95	-4246.88	168658.87	29853.82
$ 50000.-$ 100000.	4163.	1200621.	-564.148	60201.15	-1148.17	77512.74	19844.49
$ 100000.-$ 200000.	2456.	259864.	-140.096	26594.31	-254.27	32880.61	11384.85
$ 200000.-$********	3473.	67307.	-37.751	20062.62	-63.05	25317.13	11510.17
TOTALS	26231.	22014360.	-5409.139	417491.66	-19707.67	608123.14	106288.67
RETURNS WITH STANDARD DEDUCTION							
$********-$ 5000.	1867.	4403772.	-6.177	215.21	-65.59	5085.56	-371.92
$ 5000.-$ 10000.	1469.	5944151.	-373.775	12283.24	-3352.55	44637.73	1135.04
$ 10000.-$ 15000.	1611.	5099863.	-744.693	34091.27	-4284.89	63146.94	4920.46
$ 15000.-$ 20000.	1825.	4486555.	-841.031	52459.17	-3758.09	77967.52	8912.60
$ 20000.-$ 30000.	3015.	4081356.	-909.453	73125.89	-3330.76	96161.42	14508.66
$ 30000.-$ 50000.	1098.	843784.	-249.728	24876.87	-659.81	29552.68	6106.17
$ 50000.-$ 100000.	302.	111830.	-48.240	5844.54	-96.86	6482.21	1846.31
$ 100000.-$ 200000.	97.	12392.	-5.434	1277.09	-9.17	1330.27	529.74
$ 200000.-$********	89.	2137.	-1.088	534.79	-1.64	533.42	300.36
TOTALS	11373.	24985839.	-3179.619	204708.05	-15559.37	324897.74	37887.43
RETURNS FOR BOTH TYPES DEDUCTION							
$********-$ 5000.	1928.	4588490.	-7.163	254.80	-79.26	5814.31	-375.20
$ 5000.-$ 10000.	1785.	7177977.	-463.926	15225.51	-4082.17	54694.62	1454.75
$ 10000.-$ 15000.	2598.	7996470.	-1167.965	52143.75	-6753.67	100236.14	7490.52
$ 15000.-$ 20000.	3611.	8680290.	-1659.733	96170.91	-7575.74	151582.75	16071.25
$ 20000.-$ 30000.	9595.	11468651.	-2735.540	195223.43	-10296.34	278425.14	38158.87
$ 30000.-$ 50000.	7507.	5434171.	-1757.674	148666.82	-4906.69	198211.55	35960.00
$ 50000.-$ 100000.	4465.	1312450.	-612.388	66045.69	-1245.03	83994.95	21690.80
$ 100000.-$ 200000.	2553.	272256.	-145.530	27871.39	-263.44	34210.88	11914.59
$ 200000.-$********	3562.	69444.	-38.839	20597.41	-64.69	25850.55	11810.53
TOTALS	37604.	47000200.	-8588.758	622199.71	-35267.03	933020.88	144176.10

Fig. 7.4.3: Continued

SCHEDULE 3

EXPANDED INCOME	NUMBER OF RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	ORIGINAL TAXABLE INCOME (MILLIONS)	CHANGE IN TAXABLE INCOME (MILLIONS)	ORIGINAL AGI (MILLIONS)	ORIGINAL TAX AFTER CREDITS (MILLIONS)
RETURNS WITH ITEMIZED DEDUCTION							
$********-$ 5000.	6.	24977.	-.404	7.12	-2.62	75.77	-4.09
$ 5000.-$ 10000.	76.	344136.	-31.695	1129.32	-210.14	2675.18	132.39
$ 10000.-$ 15000.	143.	508546.	-62.128	3649.22	-321.70	6258.27	587.64
$ 15000.-$ 20000.	123.	337819.	-52.970	3894.02	-216.21	5867.24	719.85
$ 20000.-$ 30000.	159.	223704.	-41.514	3721.05	-139.02	5305.08	806.04
$ 30000.-$ 50000.	85.	75446.	-19.420	1933.16	-50.79	2604.34	501.25
$ 50000.-$ 100000.	65.	19198.	-7.408	985.55	-14.05	1251.43	358.29
$ 100000.-$ 200000.	50.	4996.	-2.072	517.47	-3.49	660.60	236.01
$ 200000.-$********	93.	1553.	-.703	529.19	-1.08	672.82	325.71
TOTALS	800.	1540376.	-218.314	16366.09	-959.10	25370.74	3663.08
RETURNS WITH STANDARD DEDUCTION							
$********-$ 5000.	292.	1374349.	-7.452	239.87	-124.86	3993.13	-286.30
$ 5000.-$ 10000.	414.	1887629.	-149.237	6012.37	-1036.74	13680.82	659.51
$ 10000.-$ 15000.	221.	790307.	-99.654	6493.01	-484.71	9685.80	1074.88
$ 15000.-$ 20000.	107.	304960.	-46.705	3966.96	-179.42	5176.13	769.01
$ 20000.-$ 30000.	57.	89579.	-19.702	1693.21	-62.17	2076.78	373.86
$ 30000.-$ 50000.	14.	11637.	-2.975	359.09	-7.01	405.71	100.86
$ 50000.-$ 100000.	4.	488.	-.210	27.75	-.36	29.05	7.46
$ 100000.-$ 200000.	4.	749.	-.247	83.06	-.39	85.89	37.88
$ 200000.-$********	1.	27.	-.012	9.48	-.02	9.60	6.71
TOTALS	1114.	4459724.	-326.194	18884.79	-1895.67	35142.92	2743.87
RETURNS FOR BOTH TYPES DEDUCTION							
$********-$ 5000.	298.	1399326.	-7.856	246.99	-127.48	4068.91	-290.39
$ 5000.-$ 10000.	490.	2231765.	-180.932	7141.69	-1246.87	16356.00	791.90
$ 10000.-$ 15000.	364.	1298852.	-161.781	10142.22	-806.40	15944.07	1662.52
$ 15000.-$ 20000.	230.	642779.	-99.676	7860.98	-395.63	11043.37	1488.86
$ 20000.-$ 30000.	216.	313283.	-61.215	5414.26	-201.19	7381.86	1179.89
$ 30000.-$ 50000.	99.	87083.	-22.395	2292.24	-57.80	3010.05	602.11
$ 50000.-$ 100000.	69.	19686.	-7.618	1013.29	-14.41	1280.48	365.75
$ 100000.-$ 200000.	54.	5745.	-2.319	600.53	-3.89	746.49	273.90
$ 200000.-$********	94.	1581.	-.715	538.67	-1.10	682.43	332.42
TOTALS	1914.	6000100.	-544.508	35250.88	-2854.77	60513.66	6406.95

Fig. 7.4.3: Continued

ALL SCHEDULES

EXPANDED INCOME	NUMBER OF RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	ORIGINAL TAXABLE INCOME (MILLIONS)	CHANGE IN TAXABLE INCOME (MILLIONS)	ORIGINAL AGI (MILLIONS)	ORIGINAL TAX AFTER CREDITS (MILLIONS)
RETURNS WITH ITEMIZED DEDUCTION							
$********-$ 5000.	119.	431801.	-4.395	163.75	-55.52	1615.68	4.53
$ 5000.-$ 10000.	542.	2229832.	-154.244	6007.48	-1142.67	17474.75	727.26
$ 10000.-$ 15000.	1374.	4242671.	-547.096	28532.33	-3061.07	53879.74	4389.70
$ 15000.-$ 20000.	2223.	5389059.	-948.707	58388.79	-4307.48	94268.82	10140.10
$ 20000.-$ 30000.	7198.	8278205.	-1945.370	137629.97	-7335.28	203317.75	27289.22
$ 30000.-$ 50000.	6778.	4897453.	-1564.295	132212.68	-4383.26	179641.96	32270.37
$ 50000.-$ 100000.	4479.	1304175.	-591.172	65477.03	-1196.54	84137.40	21880.34
$ 100000.-$ 200000.	2678.	285342.	-147.722	28978.96	-266.95	35974.67	12538.01
$ 200000.-$********	4009.	75608.	-40.329	23016.94	-67.07	29269.17	13417.91
TOTALS	29400.	27134145.	-5943.330	480407.94	-21815.86	699579.93	122657.44
RETURNS WITH STANDARD DEDUCTION							
$********-$ 5000.	6119.	22587204.	-164.013	5212.07	-1474.94	45875.79	-141.88
$ 5000.-$ 10000.	3972.	16928556.	-1004.918	55590.94	-7107.20	123866.97	7520.35
$ 10000.-$ 15000.	2923.	9856959.	-1129.574	76547.51	-5964.12	121111.47	12677.74
$ 15000.-$ 20000.	2438.	6219973.	-1016.062	76103.37	-4371.81	107266.41	13914.52
$ 20000.-$ 30000.	3397.	4692580.	-990.018	85159.61	-3561.15	110231.01	17485.44
$ 30000.-$ 50000.	1211.	940440.	-266.131	27795.55	-696.23	32788.57	6988.81
$ 50000.-$ 100000.	338.	124616.	-51.288	6562.12	-101.87	7240.48	2129.09
$ 100000.-$ 200000.	106.	13666.	-5.787	1410.96	-9.74	1467.57	592.35
$ 200000.-$********	96.	2260.	-1.121	572.82	-1.69	571.80	324.72
TOTALS	20600.	61366254.	-4628.912	334954.96	-23288.75	550420.07	61491.14
RETURNS FOR BOTH TYPES DEDUCTION							
$********-$ 5000.	6238.	23019005.	-168.408	5375.82	-1530.47	47491.47	-137.36
$ 5000.-$ 10000.	4514.	19158388.	-1159.163	61598.42	-8249.87	141341.72	8247.61
$ 10000.-$ 15000.	4297.	14099631.	-1676.670	105079.84	-9025.19	174991.21	17067.44
$ 15000.-$ 20000.	4661.	11609032.	-1964.769	134492.16	-8679.29	201535.23	24054.62
$ 20000.-$ 30000.	10595.	12970785.	-2935.388	222789.58	-10896.43	313548.76	44774.66
$ 30000.-$ 50000.	7989.	5837893.	-1830.426	160008.23	-5079.50	212430.53	39259.19
$ 50000.-$ 100000.	4817.	1428791.	-642.460	72039.15	-1298.41	91377.87	24009.44
$ 100000.-$ 200000.	2784.	299008.	-153.509	30389.92	-276.69	37442.24	13130.36
$ 200000.-$********	4105.	77868.	-41.450	23589.77	-68.76	29840.97	13742.63
TOTALS	50000.	88500400.	-10572.243	815362.89	-45104.61	1250000.01	184148.58

Fig. 7.4.3: Continued

7.4.4. TABLE 2: TAX CHANGE BY ABSOLUTE CHANGE IN TAX.

THIS TABLE PROVIDES INFORMATION ON THE EFFECTS OF A PROPOSED TAX LAW CHANGE DISTRIBUTED BY THE SAME CATEGORIES AS IN TABLE 1 BUT FOR THE ABSOLUTE CHANGES RATHER THAN THE PERCENTAGE CHANGES. FIGURE 7.4.4 PRESENTS SELECTED PAGES FROM THE 120 PAGES THIS TABLE MAY CONTAIN.

THE COMPUTATION OF TABLE 2 IS CONTROLLED BY LOGIC SWITCH NUMBER 12 AS DOCUMENTED IN 6.2.2 AND WHEN REQUESTED IS PRINTED ACCORDING TO THE INSTRUCTIONS PROVIDED ON THE PRINT CONTROL CARDS DOCUMENTED IN 6.2.4.

7.4.5. TABLE 3: SOURCES OF INCOME & ADJUSTMENTS TO AGI.

TABLE 3 DISPLAYS A TABULATION OF NET INCOME AND ADJUSTMENTS CLASSIFIED BY TAX SCHEDULE, BY TYPE OF DEDUCTION, AND BY ADJUSTED GROSS INCOME AND IS A SUMMARY OF TABLES 1.4, 1.5, AND 1.6 IN THE 1968 STATISTICS OF INCOME. ONE OF THE 12 POSSIBLE PAGES IN THIS TABLE IS PRESENTED IN FIGURE 7.4.5. TABLE 3 IS THE ONLY ONE PRODUCED BY THE TAX MODEL THAT IS UNAFFECTED BY CHANGES IN ANY OF THE TAX PLANS. ITS PRIMARY USE IS TO PROVIDE A DETAILED BREAKDOWN OF THE INCOME SOURCES DERIVED FROM THE TREASURY'S SAMPLE FOR COMPARISON WITH THE STATISTICS OF INCOME IN THE BASE YEAR AND FOR FORECASTING INCOME IN FUTURE YEARS.

THE COMPUTATION OF TABLE 3 IS CONTROLLED BY LOGIC SWITCH NUMBER 13 AS DOCUMENTED IN 6.2.2. WHEN THE COMPUTATION OF TABLE 3 IS REQUESTED, THE PRINT CONTROL CARD DOCUMENTED IN 6.2.5 IS REQUIRED.

RETURNS FOR WHICH EXPANDED INCOME = $ 5000. - $ 10000.

RETURNS WITH ITEMIZED DEDUCTION

SCHEDULE 1

ABSOLUTE CHANGE IN TAX LIABILITY	NO. RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	EST. AGGREGATE TAX DECREASE (THOUSANDS)	AVERAGE TAX DECREASE	PCT. DISTRIBUTION OF AGGREGATE NO. OF RETURNS		EST. AGGREGATE ORIGINAL AGI (MILLIONS)	PRES EST. AGGR TAX AFT. CREDIT (MILLIONS)
PRESENTLY TAXABLE								
TAX INCREASE								
$ 0. - $ 50.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 50. - $ 100.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 100. - $ 250.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 250. - $ 500.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 500. - $1000.	0	0.	0.	.00	.00	(.00)	.00	.00
$1000. - $*****	0	0.	0.	.00	.00	(.00)	.00	.00
NO CHANGE (1C)	0	0.	0.	.00	.00	(.00)	.00	.00
TAX DECREASE								
$ 0. - $ 50.	72	316571.	13315.	42.06	48.56	(48.56)	2268.86	148.08
$ 50. - $ 100.	50	218129.	18004.	82.54	33.46	(82.03)	1738.30	124.11
$ 100. - $ 250.	2	8242.	1079.	130.90	1.26	(83.29)	64.68	2.97
$ 250. - $ 500.	0	0.	0.	.00	.00	(83.29)	.00	.00
$ 500. - $1000.	0	0.	0.	.00	.00	(83.29)	.00	.00
$1000. - $*****	0	0.	0.	.00	.00	(83.29)	.00	.00
TAXABLE SUBTOTAL	124	542941.	32398.	59.67	83.29	(83.29)	4071.84	275.16
PRESENTLY NON-TAXABLE								
TAX INCREASE								
$ 0. - $ 50.	0	0.	0.	.00	.00	(83.29)	.00	.00
$ 50. - $ 100.	0	0.	0.	.00	.00	(83.29)	.00	.00
$ 100. - $ 250.	0	0.	0.	.00	.00	(83.29)	.00	.00
$ 250. - $ 500.	0	0.	0.	.00	.00	(83.29)	.00	.00
$ 500. - $1000.	0	0.	0.	.00	.00	(83.29)	.00	.00
$1000. - $*****	0	0.	0.	.00	.00	(83.29)	.00	.00
NO CHANGE	26	108928.	0.	.00	16.71	(*****)	670.84	.00
TOTALS	150	651869.	32398.	49.70	100.00	(100.00)	4742.68	275.16

Fig. 7.4.4: Table 2, Selected Pages

RETURNS FOR WHICH EXPANDED INCOME = $ 5000. - $ 10000.

RETURNS WITH STANDARD DEDUCTION

SCHEDULE 1

ABSOLUTE CHANGE IN TAX LIABILITY	NO. RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	EST. AGGREGATE TAX DECREASE (THOUSANDS)	AVERAGE TAX DECREASE	PCT. DISTRIBUTION OF AGGREGATE NO. OF RETURNS		EST. AGGREGATE ORIGINAL AGI (MILLIONS)	PRES EST. AGGR TAX AFT. CREDIT (MILLIONS)
PRESENTLY TAXABLE								
TAX INCREASE								
$ 0. - $ 50.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 50. - $ 100.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 100. - $ 250.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 250. - $ 500.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 500. - $1000.	0	0.	0.	.00	.00	(.00)	.00	.00
$1000. - $*****	0	0.	0.	.00	.00	(.00)	.00	.00
NO CHANGE (1C)	0	0.	0.	.00	.00	(.00)	.00	.00
TAX DECREASE								
$ 0. - $ 50.	1485	6454426.	287137.	44.49	70.95	(70.95)	44322.07	3877.37
$ 50. - $ 100.	539	2361893.	175545.	74.32	25.96	(96.92)	19262.58	1784.53
$ 100. - $ 250.	32	136753.	19223.	140.57	1.50	(98.42)	1090.53	63.88
$ 250. - $ 500.	0	0.	0.	.00	.00	(98.42)	.00	.00
$ 500. - $1000.	0	0.	0.	.00	.00	(98.42)	.00	.00
$1000. - $*****	0	0.	0.	.00	.00	(98.42)	.00	.00
TAXABLE SUBTOTAL	2056	8953072.	481904.	53.83	98.42	(98.42)	64675.18	5725.78
PRESENTLY NON-TAXABLE								
TAX INCREASE								
$ 0. - $ 50.	0	0.	0.	.00	.00	(98.42)	.00	.00
$ 50. - $ 100.	0	0.	0.	.00	.00	(98.42)	.00	.00
$ 100. - $ 250.	0	0.	0.	.00	.00	(98.42)	.00	.00
$ 250. - $ 500.	0	0.	0.	.00	.00	(98.42)	.00	.00
$ 500. - $1000.	0	0.	0.	.00	.00	(98.42)	.00	.00
$1000. - $*****	0	0.	0.	.00	.00	(98.42)	.00	.00
NO CHANGE	33	143652.	0.	.00	1.58	(*****)	873.02	.00
TOTALS	2089	9096724.	481904.	52.98	100.00	(100.00)	65548.20	5725.78

Fig. 7.4.4: Continued

RETURNS FOR WHICH EXPANDED INCOME = $ 5000. - $ 10000.

RETURNS FOR BOTH TYPES DEDUCTION

SCHEDULE 1

ABSOLUTE CHANGE IN TAX LIABILITY	NO. RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	EST. AGGREGATE TAX DECREASE (THOUSANDS)	AVERAGE TAX DECREASE	PCT. DISTRIBUTION OF AGGREGATE NO. OF RETURNS		EST. AGGREGATE ORIGINAL AGI (MILLIONS)	PRES EST. AGGR TAX AFT. CREDIT (MILLIONS)
PRESENTLY TAXABLE								
TAX INCREASE								
$ 0. - $ 50.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 50. - $ 100.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 100. - $ 250.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 250. - $ 500.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 500. - $1000.	0	0.	0.	.00	.00	(.00)	.00	.00
$1000. - $*****	0	0.	0.	.00	.00	(.00)	.00	.00
NO CHANGE (1C)	0	0.	0.	.00	.00	(.00)	.00	.00
TAX DECREASE								
$ 0. - $ 50.	1557	6770996.	300452.	44.37	69.46	(69.46)	46590.93	4025.46
$ 50. - $ 100.	589	2580022.	193549.	75.02	26.47	(95.92)	21000.88	1908.64
$ 100. - $ 250.	34	144995.	20302.	140.02	1.49	(97.41)	1155.21	66.85
$ 250. - $ 500.	0	0.	0.	.00	.00	(97.41)	.00	.00
$ 500. - $1000.	0	0.	0.	.00	.00	(97.41)	.00	.00
$1000. - $*****	0	0.	0.	.00	.00	(97.41)	.00	.00
TAXABLE SUBTOTAL	2180	9496014.	514303.	54.16	97.41	(97.41)	68747.02	6000.94
PRESENTLY NON-TAXABLE								
TAX INCREASE								
$ 0. - $ 50.	0	0.	0.	.00	.00	(97.41)	.00	.00
$ 50. - $ 100.	0	0.	0.	.00	.00	(97.41)	.00	.00
$ 100. - $ 250.	0	0.	0.	.00	.00	(97.41)	.00	.00
$ 250. - $ 500.	0	0.	0.	.00	.00	(97.41)	.00	.00
$ 500. - $1000.	0	0.	0.	.00	.00	(97.41)	.00	.00
$1000. - $*****	0	0.	0.	.00	.00	(97.41)	.00	.00
NO CHANGE	59	252580.	0.	.00	2.59	(*****)	1543.86	.00
TOTALS	2239	9748593.	514303.	52.76	100.00	(100.00)	70290.88	6000.94

Fig. 7.4.4: Continued

TABLE 2. EFFECTS OF PROPOSED TAX LAW CHANGE BY ABSOLUTE CHANGE IN TAX LIABILITY

RETURNS FOR ALL EXPANDED INCOME CLASSES

RETURNS FOR BOTH TYPES DEDUCTION

ALL SCHEDULES

ABSOLUTE CHANGE IN TAX LIABILITY	NO. RETURNS IN SAMPLE	ESTIMATED AGGREGATE NO. RETURNS	EST. AGGREGATE TAX DECREASE (THOUSANDS)	AVERAGE TAX DECREASE	PCT. DISTRIBUTION OF AGGREGATE NO. OF RETURNS		EST. AGGREGATE ORIGINAL AGI (MILLIONS)	PRES EST. AGGR TAX AFT. CREDIT (MILLIONS)
PRESENTLY TAXABLE								
TAX INCREASE								
$ 0. - $ 50.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 50. - $ 100.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 100. - $ 250.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 250. - $ 500.	0	0.	0.	.00	.00	(.00)	.00	.00
$ 500. - $1000.	1	181.	-121.	-669.65	.00	(.00)	1.24	1.57
$1000. - $*****	0	0.	0.	.00	.00	(.00)	.00	.00
NO CHANGE (1C)	62	848.	0.	.00	.00	(.00)	-152.33	10.46
TAX DECREASE								
$ 0. - $ 50.	2866	12153740.	487295.	40.09	13.73	(13.73)	71916.77	4926.77
$ 50. - $ 100.	4288	14404369.	1057916.	73.44	16.28	(30.01)	169189.97	21450.96
$ 100. - $ 250.	14932	26561755.	4340566.	163.41	30.01	(60.02)	493668.06	66109.99
$ 250. - $ 500.	15044	11860300.	3840915.	323.85	13.40	(73.43)	363311.99	64909.86
$ 500. - $1000.	6427	1282675.	778339.	606.81	1.45	(74.87)	92428.52	26523.20
$1000. - $*****	345	26196.	30116.	1149.64	.03	(74.90)	3580.11	1206.34
TAXABLE SUBTOTAL	43965	66290064.	10535026.	158.92	74.90	(74.90)	1193944.31	185139.15
PRESENTLY NON-TAXABLE								
TAX INCREASE								
$ 0. - $ 50.	0	0.	0.	.00	.00	(74.90)	.00	.00
$ 50. - $ 100.	0	0.	0.	.00	.00	(74.90)	.00	.00
$ 100. - $ 250.	0	0.	0.	.00	.00	(74.90)	.00	.00
$ 250. - $ 500.	0	0.	0.	.00	.00	(74.90)	.00	.00
$ 500. - $1000.	0	0.	0.	.00	.00	(74.90)	.00	.00
$1000. - $*****	0	0.	0.	.00	.00	(74.90)	.00	.00
NO CHANGE	6035	22209721.	1028550.	46.31	25.10	(*****)	56050.31	-991.38
TOTALS	50000	88499785.	11563576.	130.66	100.00	(100.00)	1249994.62	184147.77

Fig. 7.4.4: Continued

TABLE 3. SOURCES OF INCOME AND ADJUSTMENTS TO GROSS INCOME AS REPORTED

RETURNS FOR BOTH TYPES DEDUCTION
ALL SCHEDULES

EXPANDED INCOME	SOURCES OF INCOME * RETURNS	TOTAL INCOME (MILLIONS)	* RETURNS	WAGES AND SALARIES (MILLIONS)	* RETURNS	DIVIDENDS BEFORE EXCLUSION (MILLIONS)	* RETURNS	INTEREST RECEIVED (MILLIONS)	* RETURNS	NON-FARM BUSINESS INCOME (MILLIONS)
$*******-$ 5000.	22870914.	51930.99	19812837.	49897.63	1594177.	1218.76	6598291.	4804.53	1443349.	-598.12
$ 5000.-$ 10000.	19150463.	144003.16	16415197.	118043.68	1999419.	1941.67	7540753.	9339.90	1354982.	4142.24
$ 10000.-$ 15000.	14097004.	177860.00	12656322.	151954.11	1812338.	2122.16	6621828.	7975.61	1061087.	4213.31
$ 15000.-$ 20000.	11606063.	205076.95	10819729.	180288.39	1920653.	2106.47	6853732.	6944.73	1108882.	5201.87
$ 20000.-$ 30000.	12970622.	319095.78	12235404.	280776.91	3188935.	3909.68	9136190.	10307.24	1291458.	8831.80
$ 30000.-$ 50000.	5837813.	219175.58	5275766.	173969.71	2563713.	4847.60	4975485.	9156.11	837486.	11606.05
$ 50000.-$100000.	1428777.	96290.40	1113548.	53702.23	977674.	6126.87	1331529.	6390.60	368889.	11325.48
$100000.-$200000.	299006.	40289.27	228476.	18783.64	234662.	4169.75	286356.	2639.56	74815.	3913.55
$200000.-$*******	77841.	35217.81	58352.	8030.22	69660.	6687.01	75580.	2274.59	21521.	1942.16
TOTALS	88338501.	1288939.91	78615630.	1035446.51	14361231.	33129.97	43419743.	59832.87	7562469.	50578.33

EXPANDED INCOME	SOURCES OF INCOME (CONTINUED) * RETURNS	FARM INCOME (MILLIONS)	* RETURNS	RENT AND ROYALTY INCOME (MILLIONS)	* RETURNS	PARTNERSHIP AND SUB. S INCOME (MILLIONS)	* RETURNS	TOTAL CAPITAL GAINS BEFORE CARRYOVER (MILLIONS)	* RETURNS	ESTATES AND TRUSTS (MILLIONS)
$*******-$ 5000.	740264.	-2937.10	1060166.	-136.75	378338.	-3372.45	906264.	765.91	121074.	211.31
$ 5000.-$ 10000.	473575.	-111.67	1139112.	737.89	267173.	371.45	1008233.	944.82	118325.	271.86
$ 10000.-$ 15000.	386547.	450.35	985406.	606.51	310918.	1032.57	972948.	1311.36	67475.	355.61
$ 15000.-$ 20000.	381476.	670.35	1064359.	404.39	334379.	892.27	1102360.	2219.21	81704.	340.74
$ 20000.-$ 30000.	458528.	1773.62	1389021.	687.57	505618.	1899.83	1749217.	3406.36	140084.	480.28
$ 30000.-$ 50000.	256991.	2453.07	971015.	1141.44	559404.	4182.89	1485970.	6052.16	132725.	570.65
$ 50000.-$100000.	125016.	1860.85	440162.	1668.74	457070.	5860.21	748962.	6781.23	90459.	725.66
$100000.-$200000.	33680.	666.16	123615.	900.02	160037.	3488.10	210311.	4860.88	31548.	377.24
$200000.-$*******	10986.	24.47	40270.	940.76	51137.	2010.60	64942.	12558.93	12912.	512.32
TOTALS	2867062.	4850.11	7213127.	6950.58	3024075.	16365.47	8249207.	38900.86	796305.	3845.67

EXPANDED INCOME	SOURCES OF INCOME (CONTINUED) * RETURNS	PENSIONS AND ANNUITES (MILLIONS)	* RETURNS	ALL OTHER SOURCES (MILLIONS)	* RETURNS	ADJUSTMENTS TO AGI TOTAL ADJUSTMENTS (MILLIONS)	* RETURNS	SELF EMPLOYED PENSION PAYMENTS (MILLIONS)
$*******-$ 5000.	886447.	1972.01	267597.	105.28	474286.	1370.98	22066.	8.80
$ 5000.-$ 10000.	1956527.	8047.16	709630.	274.26	1075934.	2150.92	60643.	45.19
$ 10000.-$ 15000.	1178007.	7423.99	1276803.	414.52	1392753.	2427.29	128993.	182.29
$ 15000.-$ 20000.	806671.	5437.09	1798639.	571.58	1705151.	2684.73	200081.	228.17
$ 20000.-$ 30000.	857975.	6168.36	2662865.	854.67	2423675.	4582.44	340008.	485.11
$ 30000.-$ 50000.	451444.	4785.37	1249533.	411.26	1589605.	3741.71	328021.	559.13
$ 50000.-$100000.	142840.	1604.83	275660.	244.02	483418.	1886.23	133219.	259.37
$100000.-$200000.	28320.	397.97	52142.	92.47	100318.	542.42	26462.	56.37
$200000.-$*******	8721.	163.21	14239.	73.63	20604.	158.63	6107.	12.59
TOTALS	6316951.	35999.99	8307107.	3041.70	9265743.	19545.34	1245600.	1837.02

Fig. 7.4.5: Table 3

7.4.6. TABLE 4: CREDITS, DEDUCTIONS, AND EXEMPTIONS.

TABLE 4 IS A TABULATION OF TAX CREDITS, STANDARD AND ITEMIZED DEDUCTIONS, AND EXEMPTIONS CLASSIFIED BY SCHEDULE, TYPE OF DEDUCTION, AND ADJUSTED GROSS INCOME AND IS A SUMMARY OF VARIOUS TABLES FROM SECTION 2 OF THE 1968 STATISTICS OF INCOME. AS AN EXAMPLE, ONE OF THE 12 POSSIBLE PAGES IN TABLE 4 IS PRESENTED IN FIGURE 7.4.6. TABLE 4 CAN BE USED IN THE SAME MANNER AS TABLE 3, THAT IS, AS A COMPARISION WITH THE STATISTICS OF INCOME WHEN FORECASTING THE FUTURE LEVELS OF CREDITS, DEDUCTIONS, AND EXEMPTIONS. IN ADDITION, TABLE 4 MAY BE USED TO ESTIMATE THE EFFECT OF CREDIT, DEDUCTION, AND EXEMPTION CHANGES UNDER THE PROPOSED TAX PLAN BY COMPARING IT WITH A TABLE 4 COMPUTED UNDER THE PRESENT LAW.

THE COMPUTATION OF TABLE 4 IS CONTROLLED BY LOGIC SWITCH NUMBER 14 AS DOCUMENTED IN 6.2.2. WHEN THE COMPUTATION OF TABLE 4 IS REQUESTED, THE PRINT CONTROL CARD DOCUMENTED IN 6.2.6 IS REQUIRED.

7.4.7. TABLE 5: TAX CHANGE BY AGI, SCHEDULE, & DEDUCTION.

TABLE 5 PRESENTS A SUMMARY OF TAXABLE RETURNS MADE NON-TAXABLE NON-TAXABLE RETURNS MADE TAXABLE, RETURNS WITH A TAX INCREASE, RETURNS WITH A TAX DECREASE, AND RETURNS WHICH CHANGED THEIR FORM OF DEDUCTION. EACH PAGE IN THIS TABLE IS CLASSIFIED BY TAX SCHEDULE, TYPE OF DEDUCTION, AND ADJUSTED GROSS INCOME CLASS. FIGURE 7.4.7 DISPLAYS ALL FOUR PAGES FOUND IN TABLE 5. THIS TABLE CANNOT BE EDITED AND IS ALWAYS PRINTED WHENEVER AT LEAST ONE RETURN HAS A CHANGE IN TAX LIABILITY GREATER THAN ONE DOLLAR.

TABLE 4. CREDITS, DEDUCTIONS, AND EXEMPTIONS IN PLAN Y

RETURNS FOR BOTH TYPES DEDUCTION

ALL SCHEDULES

EXPANDED INCOME	RETURNS	TAXABLE INCOME (MILLIONS)	TAXABLE INCOME EXCLUDING CAPITAL GAINS (MILLIONS)	TAX CREDITS: RETIREMENT INCOME (MILLIONS)	TAX CREDITS: RETURNS	TAX CREDITS: OTHER (MILLIONS)	TAX CREDITS: RETURNS	DEDUCTIONS: STANDARD (MILLIONS)	DEDUCTIONS: RETURNS
$********-$ 5000.	23018817.	3845.34	4286.76	-2937.10	39360.	6.12	123871.	53061.34	22587016.
$ 5000.-$ 10000.	19158308.	53348.34	53333.04	-111.67	358580.	103.55	665163.	42404.98	16928478.
$ 10000.-$ 15000.	14099588.	96054.38	95789.34	450.35	267589.	205.98	742408.	26458.35	9856925.
$ 15000.-$ 20000.	11608988.	125812.39	125006.73	670.35	143764.	381.10	872577.	18048.87	6219949.
$ 20000.-$ 30000.	12970622.	211890.56	210649.57	1773.62	108066.	746.31	1256646.	14397.24	4692548.
$ 30000.-$ 50000.	5837813.	154926.60	152593.19	2453.07	76010.	829.20	977547.	2909.36	940437.
$ 50000.-$ 100000.	1428777.	70740.07	67559.02	1860.85	16045.	819.61	530678.	385.98	124616.
$ 100000.-$ 200000.	299006.	30113.05	27954.76	666.16	2737.	434.02	151249.	42.34	13666.
$ 200000.-$********	77867.	23520.83	17958.75	24.47	1263.	483.71	48932.	7.10	2260.
TOTALS	88499784.	770251.55	755131.12	4850.11	1013413.	4009.59	5369072.	157715.56	61365895.

EXPANDED INCOME	DEDUCTIONS: CHARITABLE (MILLIONS)	RETURNS	INTEREST PAID (MILLIONS)	RETURNS	TAXES (MILLIONS)	RETURNS	MEDICAL (MILLIONS)	RETURNS	CASUALTY (MILLIONS)	RETURNS
$********-$ 5000.	129.96	286981.	375.00	211994.	385.09	401839.	700.47	341172.	.38	4319.
$ 5000.-$ 10000.	893.71	1970614.	2195.99	1743796.	1915.23	2174702.	2306.94	1910534.	105.54	136958.
$ 10000.-$ 15000.	1837.70	3940401.	5363.01	3687341.	4733.79	4224217.	2845.23	3421406.	223.89	243546.
$ 15000.-$ 20000.	2558.84	4990847.	8005.61	4743883.	7834.61	5363975.	2602.46	3950700.	293.14	350692.
$ 20000.-$ 30000.	5079.47	7959649.	15392.09	7698959.	16186.93	8258237.	3383.24	5889028.	425.07	554900.
$ 30000.-$ 50000.	4437.71	4763040.	11026.83	4445043.	14218.68	4890952.	1797.58	3515190.	378.95	381651.
$ 50000.-$ 100000.	2356.95	1275182.	4285.89	1079116.	6789.56	1300596.	557.76	867250.	85.23	90012.
$100000.-$ 200000.	1252.69	280391.	1578.54	226038.	2658.75	285158.	190.27	163376.	69.24	21152.
$200000.-$********	2125.10	73428.	1354.46	58525.	1950.23	75530.	62.62	42001.	27.82	5722.
TOTALS	20672.14	25540533.	49577.43	23894696.	56672.88	26975206.	14446.57	20100655.	1609.26	1788951.

EXPANDED INCOME	EXEMPTIONS: OTHER (MILLIONS)	RETURNS	TAXPAYER (MILLIONS)	RETURNS	AGED (MILLIONS)	RETURNS	BLIND (MILLIONS)	RETURNS	OTHER (MILLIONS)	RETURNS
$*******-$ 5000.	80.90	242970.	26957.42	23018817.	2647.86	2143566.	67.00	66996.	7128.51	3729093.
$ 5000.-$ 10000.	519.92	1630341.	25760.24	19158308.	3609.74	2825610.	77.90	73362.	11770.51	5967307.
$ 10000.-$ 15000.	1041.13	3428663.	21760.62	14099588.	1933.41	1506910.	49.47	41577.	13150.33	6208947.
$ 15000.-$ 20000.	1680.19	4518680.	20100.23	11608988.	979.85	762802.	18.45	18453.	13677.31	6432501.
$ 20000.-$ 30000.	3248.29	7026852.	24369.15	12970622.	918.47	690670.	24.18	24177.	18356.27	8235901.
$ 30000.-$ 50000.	2482.39	4047003.	11253.02	5837813.	536.44	391704.	10.91	10907.	8539.45	3803880.
$ 50000.-$ 100000.	1157.11	1004360.	2734.67	1428777.	305.49	208888.	5.94	5013.	2165.71	903677.
$100000.-$ 200000.	485.91	219651.	569.37	299006.	82.47	55881.	1.23	1227.	459.19	185997.
$200000.-$********	574.42	61324.	146.72	77867.	30.84	20932.	.37	366.	100.00	40889.
TOTALS	11270.26	22179844.	133651.44	88499784.	11044.57	8606962.	255.43	242079.	75347.27	35508191.

Fig. 7.4.6: Table 4, Selected Page

SCHEDULE 1

EXPANDED INCOME	PRESENTLY TAXABLE RETURNS MADE NONTAXABLE		PRESENTLY NONTAXABLE RETURNS MADE TAXABLE		RETURNS WITH CHANGE IN TAX LIABILITY				RETURNS WHICH CHANGED THEIR TYPE OF DEDUCTION	
					TAX DECREASE		TAX INCREASE			
	NUMBER OF RETURNS	AMOUNT OF TAX CUT (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX INCREASE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)
RETURNS WITH ITEMIZED DEDUCTION										
$********-$ 5000.	30111.	.658	0.	.000	85364.	-3.005	0.	.000	13144.	.000
$ 5000.-$ 10000.	48143.	1.768	0.	.000	542941.	-32.398	0.	.000	0.	.000
$ 10000.-$ 15000.	4319.	.105	0.	.000	828801.	-61.696	0.	.000	0.	.000
$ 15000.-$ 20000.	0.	.000	0.	.000	846610.	-77.035	0.	.000	0.	.000
$ 20000.-$ 30000.	805.	.019	0.	.000	660031.	-77.768	0.	.000	0.	.000
$ 30000.-$ 50000.	0.	.000	0.	.000	230830.	-36.929	0.	.000	0.	.000
$ 50000.-$ 100000.	41.	.002	0.	.000	84099.	-19.617	0.	.000	0.	.000
$ 100000.-$ 200000.	0.	.000	0.	.000	20482.	-5.554	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	6743.	-1.875	0.	.000	0.	.000
TOTALS	83418.	2.551	0.	.000	3305901.	-315.877	0.	.000	13144.	.000
RETURNS WITH STANDARD DEDUCTION										
$********-$ 5000.	876659.	17.616	0.	.000	4216706.	-150.385	0.	.000	0.	.000
$ 5000.-$ 10000.	58122.	4.092	0.	.000	8953074.	-481.903	0.	.000	0.	.000
$ 10000.-$ 15000.	0.	.000	0.	.000	3958238.	-285.226	0.	.000	0.	.000
$ 15000.-$ 20000.	0.	.000	0.	.000	1428457.	-128.325	0.	.000	0.	.000
$ 20000.-$ 30000.	0.	.000	0.	.000	521372.	-60.864	0.	.000	0.	.000
$ 30000.-$ 50000.	0.	.000	0.	.000	85019.	-13.428	0.	.000	0.	.000
$ 50000.-$ 100000.	0.	.000	0.	.000	12299.	-2.838	0.	.000	0.	.000
$ 100000.-$ 200000.	0.	.000	0.	.000	525.	-.106	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	96.	-.021	0.	.000	0.	.000
TOTALS	934781.	21.708	0.	.000	19175784.	-1123.095	0.	.000	0.	.000
RETURNS FOR BOTH TYPES DEDUCTION										
$********-$ 5000.	906770.	18.275	0.	.000	4302070.	-153.389	0.	.000	13144.	.000
$ 5000.-$ 10000.	106265.	5.860	0.	.000	9496015.	-514.301	0.	.000	0.	.000
$ 10000.-$ 15000.	4319.	.105	0.	.000	4787039.	-346.922	0.	.000	0.	.000
$ 15000.-$ 20000.	0.	.000	0.	.000	2275066.	-205.360	0.	.000	0.	.000
$ 20000.-$ 30000.	805.	.019	0.	.000	1181403.	-138.632	0.	.000	0.	.000
$ 30000.-$ 50000.	0.	.000	0.	.000	315849.	-50.357	0.	.000	0.	.000
$ 50000.-$ 100000.	41.	.002	0.	.000	96398.	-22.455	0.	.000	0.	.000
$ 100000.-$ 200000.	0.	.000	0.	.000	21007.	-5.660	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	6839.	-1.896	0.	.000	0.	.000
TOTALS	1018199.	24.259	0.	.000	22481685.	-1438.972	0.	.000	13144.	.000

Fig. 7.4.7: Table 5

SCHEDULE 2

EXPANDED INCOME	PRESENTLY TAXABLE RETURNS MADE NONTAXABLE		PRESENTLY NONTAXABLE RETURNS MADE TAXABLE		RETURNS WITH CHANGE IN TAX LIABILITY				RETURNS WHICH CHANGED THEIR TYPE OF DEDUCTION	
					TAX DECREASE		TAX INCREASE			
	NUMBER OF RETURNS	AMOUNT OF TAX CUT (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX INCREASE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)
RETURNS WITH ITEMIZED DEDUCTION										
$********-$ 5000.	11674.	.238	0.	.000	25169.	-.986	0.	.000	7758.	.000
$ 5000.-$ 10000.	203429.	13.063	0.	.000	924024.	-90.151	0.	.000	64899.	.000
$ 10000.-$ 15000.	142432.	17.852	0.	.000	2759705.	-423.271	0.	.000	0.	.000
$ 15000.-$ 20000.	55962.	8.593	0.	.000	4178360.	-818.698	0.	.000	0.	.000
$ 20000.-$ 30000.	12268.	1.869	0.	.000	7367452.	-1826.056	0.	.000	0.	.000
$ 30000.-$ 50000.	755.	.141	0.	.000	4585716.	-1507.919	0.	.000	0.	.000
$ 50000.-$ 100000.	270.	.083	0.	.000	1199985.	-564.263	181.	.121	255.	.112
$ 100000.-$ 200000.	0.	.000	0.	.000	259655.	-140.095	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	67269.	-37.751	0.	.000	0.	.000
TOTALS	426790.	41.838	0.	.000	21367334.	-5409.188	181.	.121	72911.	.112
RETURNS WITH STANDARD DEDUCTION										
$********-$ 5000.	31134.	.836	0.	.000	153873.	-6.177	0.	.000	0.	.000
$ 5000.-$ 10000.	700415.	47.307	0.	.000	3863327.	-373.774	0.	.000	0.	.000
$ 10000.-$ 15000.	180653.	23.779	0.	.000	4981100.	-744.690	0.	.000	0.	.000
$ 15000.-$ 20000.	40109.	6.949	0.	.000	4477153.	-841.027	0.	.000	0.	.000
$ 20000.-$ 30000.	5033.	.911	0.	.000	4076399.	-909.445	0.	.000	0.	.000
$ 30000.-$ 50000.	0.	.000	0.	.000	843781.	-249.727	0.	.000	0.	.000
$ 50000.-$ 100000.	0.	.000	0.	.000	111803.	-48.240	0.	.000	0.	.000
$ 100000.-$ 200000.	0.	.000	0.	.000	12389.	-5.434	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	2130.	-1.088	0.	.000	0.	.000
TOTALS	957345.	79.782	0.	.000	18521955.	-3179.603	0.	.000	0.	.000
RETURNS FOR BOTH TYPES DEDUCTION										
$********-$ 5000.	42809.	1.074	0.	.000	179042.	-7.163	0.	.000	7758.	.000
$ 5000.-$ 10000.	903844.	60.370	0.	.000	4787351.	-463.925	0.	.000	64899.	.000
$ 10000.-$ 15000.	323085.	41.631	0.	.000	7740805.	-1167.961	0.	.000	0.	.000
$ 15000.-$ 20000.	96071.	15.542	0.	.000	8655513.	-1659.724	0.	.000	0.	.000
$ 20000.-$ 30000.	17301.	2.780	0.	.000	11443851.	-2735.501	0.	.000	0.	.000
$ 30000.-$ 50000.	755.	.141	0.	.000	5429497.	-1757.646	0.	.000	0.	.000
$ 50000.-$ 100000.	270.	.083	0.	.000	1311788.	-612.503	181.	.121	255.	.112
$ 100000.-$ 200000.	0.	.000	0.	.000	272044.	-145.529	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	69398.	-38.839	0.	.000	0.	.000
TOTALS	1384135.	121.621	0.	.000	39889289.	-8588.791	181.	.121	72911.	.112

Fig. 7.4.7: Continued

SCHEDULE 3

EXPANDED INCOME	PRESENTLY TAXABLE RETURNS MADE NONTAXABLE		PRESENTLY NONTAXABLE RETURNS MADE TAXABLE		RETURNS WITH CHANGE IN TAX LIABILITY				RETURNS WHICH CHANGED THEIR TYPE OF DEDUCTION	
					TAX DECREASE		TAX INCREASE			
	NUMBER OF RETURNS	AMOUNT OF TAX CUT (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX INCREASE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)
RETURNS WITH ITEMIZED DEDUCTION										
$********-$ 5000.	0.	.000	0.	.000	5238.	-.404	0.	.000	8627.	.000
$ 5000.-$ 10000	52358.	3.032	0.	.000	325402.	-31.695	0.	.000	0.	.000
$ 10000.-$ 15000.	12560.	.855	0.	.000	490400.	-62.128	0.	.000	0.	.000
$ 15000.-$ 20000.	0.	.000	0.	.000	337816.	-52.970	0.	.000	0.	.000
$ 20000.-$ 30000.	76.	.010	0.	.000	218434.	-41.514	0.	.000	0.	.000
$ 30000.-$ 50000.	0.	.000	0.	.000	75446.	-19.420	0.	.000	0.	.000
$ 50000.-$ 100000.	0.	.000	0.	.000	19198.	-7.408	0.	.000	0.	.000
$ 100000.-$ 200000.	0.	.000	0.	.000	4996.	-2.072	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	1552.	-.703	0.	.000	0.	.000
TOTALS	64994.	3.897	0.	.000	1478483.	-218.314	0.	.000	8627.	.000
RETURNS WITH STANDARD DEDUCTION										
$********-$ 5000.	31279.	.558	0.	.000	188024.	-7.452	0.	.000	0.	.000
$ 5000.-$ 10000.	160324.	12.042	0.	.000	1714855.	-149.237	0.	.000	0.	.000
$ 10000.-$ 15000.	6530.	2.143	0.	.000	790306.	-99.654	0.	.000	0.	.000
$ 15000.-$ 20000.	0.	.000	0.	.000	304960.	-46.705	0.	.000	0.	.000
$ 20000.-$ 30000.	0.	.000	0.	.000	89579.	-19.702	0.	.000	0.	.000
$ 30000.-$ 50000.	0.	.000	0.	.000	11637.	-2.975	0.	.000	0.	.000
$ 50000.-$ 100000.	0.	.000	0.	.000	488.	-.210	0.	.000	0.	.000
$ 100000.-$ 200000.	0.	.000	0.	.000	749.	-.247	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	27.	-.012	0.	.000	0.	.000
TOTALS	198134.	14.743	0.	.000	3100624.	-326.194	0.	.000	0.	.000
RETURNS FOR BOTH TYPES DEDUCTION										
$********-$ 5000.	31279.	.558	0.	.000	193262.	-7.856	0.	.000	8627.	.000
$ 5000.-$ 10000.	212682.	15.073	0.	.000	2040257.	-180.932	0.	.000	0.	.000
$ 10000.-$ 15000.	19090.	2.998	0.	.000	1280706.	-161.781	0.	.000	0.	.000
$ 15000.-$ 20000.	0.	.000	0.	.000	642775.	-99.676	0.	.000	0.	.000
$ 20000.-$ 30000.	76.	.010	0.	.000	308013.	-61.215	0.	.000	0.	.000
$ 30000.-$ 50000.	0.	.000	0.	.000	87083.	-22.395	0.	.000	0.	.000
$ 50000.-$ 100000.	0.	.000	0.	.000	19686.	-7.618	0.	.000	0.	.000
$ 100000.-$ 200000.	0.	.000	0.	.000	5745.	-2.319	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	1580.	-.715	0.	.000	0.	.000
TOTALS	263128.	18.639	0.	.000	4579107.	-544.508	0.	.000	8627.	.000

Fig. 7.4.7: Continued

ALL SCHEDULES

EXPANDED INCOME	PRESENTLY TAXABLE RETURNS MADE NONTAXABLE		PRESENTLY NONTAXABLE RETURNS MADE TAXABLE		RETURNS WITH CHANGE IN TAX LIABILITY				RETURNS WHICH CHANGED THEIR TYPE OF DEDUCTION	
					TAX DECREASE		TAX INCREASE			
	NUMBER OF RETURNS	AMOUNT OF TAX CUT (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX INCREASE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)	NUMBER OF RETURNS	AMOUNT OF TAX CHANGE (MILLIONS)
RETURNS WITH ITEMIZED DEDUCTION										
$********-$ 5000.	41785.	.896	0.	.000	115771.	-4.395	0.	.000	29529.	.000
$ 5000.-$ 10000.	303930.	17.862	0.	.000	1792368.	-154.244	0.	.000	64899.	.000
$ 10000.-$ 15000.	159311.	18.812	0.	.000	4078905.	-547.095	0.	.000	0.	.000
$ 15000.-$ 20000.	55962.	8.593	0.	.000	5362786.	-948.703	0.	.000	0.	.000
$ 20000.-$ 30000.	13150.	1.897	0.	.000	8245918.	-1945.338	0.	.000	0.	.000
$ 30000.-$ 50000.	755.	.141	0.	.000	4891992.	-1564.268	0.	.000	0.	.000
$ 50000.-$ 100000.	310.	.085	0.	.000	1303282.	-591.287	181.	.121	255.	.112
$ 100000.-$ 200000.	0.	.000	0.	.000	285133.	-147.721	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	75564.	-40.329	0.	.000	0.	.000
TOTALS	575202.	48.286	0.	.000	26151717.	-5943.380	181.	.121	94682.	.112
RETURNS WITH STANDARD DEDUCTION										
$********-$ 5000.	939072.	19.010	0.	.000	4558604.	-164.013	0.	.000	0.	.000
$ 5000.-$ 10000.	918862.	63.440	0.	.000	14531256.	-1004.915	0.	.000	0.	.000
$ 10000.-$ 15000.	187183.	25.922	0.	.000	9729645.	-1129.570	0.	.000	0.	.000
$ 15000.-$ 20000.	40109.	6.949	0.	.000	6210569.	-1016.057	0.	.000	0.	.000
$ 20000.-$ 30000.	5033.	.911	0.	.000	4687349.	-990.011	0.	.000	0.	.000
$ 30000.-$ 50000.	0.	.000	0.	.000	940437.	-266.130	0.	.000	0.	.000
$ 50000.-$ 100000.	0.	.000	0.	.000	124590.	-51.288	0.	.000	0.	.000
$ 100000.-$ 200000.	0.	.000	0.	.000	13664.	-5.787	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	2253.	-1.121	0.	.000	0.	.000
TOTALS	2090259.	116.233	0.	.000	40798364.	-4628.892	0.	.000	0.	.000
RETURNS FOR BOTH TYPES DEDUCTION										
$********-$ 5000.	980858.	19.906	0.	.000	4674374.	-168.408	0.	.000	29529.	.000
$ 5000.-$ 10000.	1222791.	81.303	0.	.000	16323623.	-1159.159	0.	.000	64899.	.000
$ 10000.-$ 15000.	346495.	44.734	0.	.000	13808550.	-1676.664	0.	.000	0.	.000
$ 15000.-$ 20000.	96071.	15.542	0.	.000	11573355.	-1964.760	0.	.000	0.	.000
$ 20000.-$ 30000.	18182.	2.808	0.	.000	12933266.	-2935.348	0.	.000	0.	.000
$ 30000.-$ 50000.	755.	.141	0.	.000	5832429.	-1830.398	0.	.000	0.	.000
$ 50000.-$ 100000.	310.	.085	0.	.000	1427872.	-642.575	181.	.121	255.	.112
$ 100000.-$ 200000.	0.	.000	0.	.000	298796.	-153.508	0.	.000	0.	.000
$ 200000.-$********	0.	.000	0.	.000	77817.	-41.450	0.	.000	0.	.000
TOTALS	2665461.	164.519	0.	.000	66950081.	-10572.271	181.	.121	94682.	.112

Fig. 7.4.7: Continued

7.4.8. TABLE 6: DISTRIBUTION OF TAXABLE INCOME AND TAX.

EACH PAGE IN TABLE 6 PRESENTS TAXABLE INCOME AND TAX DISTRIBUTED BY MARGINAL TAX RATE FOR A SPECIFIED ADJUSTED GROSS INCOME CLASS AND FOR A SPECIFIED TAX SCHEDULE. IN ADDITION, TABLE 6 PROVIDES THE CUMULATIVE AND PERCENTAGE CUMULATIVE DISTRIBUTION OF TAXABLE INCOME AND TAX SUMMED FROM THE LOWEST TO THE HIGHEST (LABELED LOWEST) AND SUMMED FROM THE HIGHEST TO THE LOWEST (LABELED HIGHEST). THE 40 PAGES IN THIS TABLE, ONE OF WHICH IS SHOWN IN FIGURE 7.4.8, MAY BE PRODUCED FOR EITHER PLAN X OR PLAN Y BUT NOT BOTH.

THE CONCEPT OF TAXABLE INCOME EMPLOYED IN TABLE 6 IS TAXABLE INCOME SUBJECT TO THE ORDINARY RATE SCHEDULES AND THEREFORE, IS NET OF EXCLUDED CAPITAL GAINS INCOME. CONSEQUENTLY,THE CONCEPT OF TAX LIABILITY IS TAX BEFORE CREDITS. THE TAX LIABILITY IN TABLE 6 WILL DIFFER FROM THAT OF TABLE 1A (1) BECAUSE THE TAX SAVINGS FROM THE ALTERNATIVE TAX, THE MAXIMUM TAX, AND INCOME AVERAGING ARE OMITTED (2) ALL TAX AND EXEMPTION CREDITS ARE OMITTED, AND (3) THE MINIMUM TAX IS OMITTED. SINCE TABLE 6 IS PRIMARILY USED TO COMPUTE NEW RATE SCHEDULES YIELDING A PREDETERMINED REVENUE GAIN OR LOSS, THE ABOVE OMMISSIONS, WITH THE EXCEPTION OF THE TAX SAVINGS FROM THE ALTERNATIVE TAX AND THE MAXIMUM TAX, ARE RELATIVELY CONSTANT AND DO NOT INTERFERE WITH AN ACCURATE ESTIMATION OF THE NEW RATE SCHEDULES.

LOGIC SWITCH NUMBER 16 CONTROLS THE COMPUTATION OF TABLE 6 AS DOCUMENTED IN 6.2.2. WHEN THIS TABLE IS REQUESTED, THE PRINT CONTROL CARD DOCUMENTED IN 6.2.7 IS REQUIRED. IN ADDITION, LOGIC SWITCH NUMBER 15 SPECIFIES WHETHER TABLE 6 IS TO BE PRODUCED FOR PLAN X OR PLAN Y.

TREASURY TAX MODEL: VERSION 6; JANUARY 1978 RUN# 5108 DONE ON 061278 AT 144709

TABLE 6. TAXABLE INCOME AND TAX BEFORE CREDITS - BY MARGINAL TAX RATES

PLAN Y RETURNS FOR WHICH EXPANDED INCOME = $ 30000. - $ 50000.

JOINT SCHEDULE

MARGINAL TAX RATE	TAXABLE INCOME (MILLIONS) AMOUNT	CUMULATIVE FROM LOWEST	%	HIGHEST	%	TAX BEFORE CREDITS (MILLIONS) AMOUNT	CUMULATIVE FROM LOWEST	%	HIGHEST	%
14.0	5426.0	5426.0	3.8	143744.8	100.0	759.6	759.6	2.1	36283.6	100.0
15.0	5424.3	10850.3	7.5	138320.4	96.2	813.6	1573.3	4.3	35470.0	97.8
16.0	5422.8	16273.1	11.3	132897.6	92.5	867.7	2440.9	6.7	34602.3	95.4
17.0	5421.7	21694.8	15.1	127475.9	88.7	921.7	3362.6	9.3	33680.6	92.8
19.0	21672.6	43367.4	30.2	105803.3	73.6	4117.8	7480.4	20.6	29562.8	81.5
22.0	21615.8	64983.2	45.2	84187.5	58.6	4755.5	12235.9	33.7	24807.4	68.4
25.0	21439.9	86423.1	60.1	62747.6	43.7	5360.0	17595.9	48.5	19447.4	53.6
28.0	20687.3	107110.4	74.5	42060.3	29.3	5792.4	23388.3	64.5	13655.0	37.6
32.0	17192.0	124302.4	86.5	24868.3	17.3	5501.4	28889.8	79.6	8153.5	22.5
36.0	10708.6	135011.1	93.9	14159.6	9.9	3855.1	32744.9	90.2	4298.4	11.8
39.0	5406.2	140417.3	97.7	8753.4	6.1	2108.4	34853.3	96.1	2190.0	6.0
42.0	2368.5	142785.7	99.3	6385.0	4.4	994.8	35848.0	98.8	1195.2	3.3
45.0	825.0	143610.7	99.9	5560.0	3.9	371.2	36219.3	99.8	824.0	2.3
48.0	133.9	143744.6	100.0	5426.1	3.8	64.3	36283.6	100.0	759.7	2.1
50.0	.2	143744.8	100.0	5426.0	3.8	.1	36283.6	100.0	759.6	2.1

Fig. 7.4.8: Table 6, Selected Pages

TABLE 6A. SUMMARY OF TAXABLE INCOME BY MARGINAL TAX RATES

SOURCE: PLAN Y TAXABLE INCOME

SINGLE SCHEDULE

EXPANDED INCOME

MARGINAL TAX RATE	$******** <$ 5000.	$ 5000. <$ 10000.	$ 10000. <$ 15000.	$ 15000. <$ 20000.	$ 20000. <$ 30000.	$ 30000. <$ 50000.	$ 50000. <$ 100000.	$ 100000. <$ 200000.	$ 200000. <$********	ALL CLASSES
14.0	1628.72	4694.79	2391.36	1137.53	590.30	157.74	48.14	10.43	3.38	10662.39
15.0	1069.12	4675.27	2391.36	1137.53	590.30	157.74	48.14	10.43	3.38	10083.28
16.0	555.20	4567.23	2389.67	1137.37	589.16	157.74	48.14	10.43	3.38	9458.33
17.0	106.12	4397.43	2387.89	1136.16	588.58	157.74	48.14	10.43	3.38	8835.86
19.0	12.80	12438.89	9516.78	4542.35	2353.87	629.88	192.57	41.72	13.50	29742.36
21.0	.00	4789.34	9376.83	4517.97	2353.87	626.56	192.57	41.72	13.50	21912.36
24.0	.00	430.19	7993.90	4448.46	2346.60	623.60	192.57	41.72	13.50	16090.53
25.0	.00	.00	3942.46	4368.14	2333.68	623.28	192.57	41.72	13.50	11515.33
27.0	.00	.00	868.52	4023.01	2287.84	619.95	192.57	41.72	13.50	8047.11
29.0	.00	.00	1.03	2398.01	2195.58	617.90	192.57	41.72	13.50	5460.30
31.0	.00	.00	.00	842.88	2059.90	605.46	192.57	41.72	13.50	3756.02
34.0	.00	.00	.00	61.14	1619.32	596.88	192.29	41.71	13.50	2524.84
36.0	.00	.00	.00	1.73	988.26	582.64	192.14	41.67	13.50	1819.95
38.0	.00	.00	.00	.00	537.36	555.58	192.14	41.67	13.44	1340.19
40.0	.00	.00	.00	.00	310.41	990.95	377.36	83.34	26.67	1788.73
45.0	.00	.00	.00	.00	3.13	893.23	550.66	123.54	39.98	1610.54
50.0	.00	.00	.00	.00	.00	287.00	510.09	121.69	39.97	958.75
55.0	.00	.00	.00	.00	.00	50.27	449.76	116.47	39.95	656.45
60.0	.00	.00	.00	.00	.00	.00	342.54	114.73	39.93	497.21
62.0	.00	.00	.00	.00	.00	.00	329.11	182.92	66.37	578.40
64.0	.00	.00	.00	.00	.00	.00	161.82	164.92	65.66	392.40
66.0	.00	.00	.00	.00	.00	.00	73.44	146.15	65.10	284.68
68.0	.00	.00	.00	.00	.00	.00	24.14	120.73	64.13	208.99
69.0	.00	.00	.00	.00	.00	.00	4.07	96.85	63.26	164.18
70.0	.00	.00	.00	.00	.00	.00	.00	178.48	1791.28	1969.77

Fig. 7.4.8: Continued

TABLE 6A. SUMMARY OF TAXABLE INCOME BY MARGINAL TAX RATES

SOURCE: PLAN Y TAXABLE INCOME

JOINT SCHEDULE

EXPANDED INCOME

MARGINAL TAX RATE	$******** <$ 5000.	$ 5000. <$ 10000.	$ 10000. <$ 15000.	$ 15000. <$ 20000.	$ 20000. <$ 30000.	$ 30000. <$ 50000.	$ 50000. <$ 100000.	$ 100000. <$ 200000.	$ 200000. <$********	ALL CLASSES
14.0	105.29	3592.38	7416.95	8554.26	11422.23	5425.95	1306.48	270.73	68.75	38163.01
15.0	50.87	2984.17	7367.92	8550.46	11419.87	5424.32	1306.06	270.72	68.75	37443.14
16.0	5.00	1915.60	7128.53	8532.03	11410.00	5422.84	1305.89	270.70	68.75	36059.33
17.0	.00	1015.71	6602.46	8490.88	11399.86	5421.71	1305.89	270.65	68.74	34575.92
19.0	.00	626.77	14945.33	32184.88	45413.10	21672.60	5221.40	1079.63	274.75	121418.45
22.0	.00	.00	1172.63	19327.77	43623.72	21615.81	5216.16	1077.49	274.27	92307.83
25.0	.00	.00	2.43	2275.43	33218.31	21439.87	5207.36	1075.87	274.14	63493.41
28.0	.00	.00	.00	11.23	14159.62	20687.29	5193.65	1074.99	273.83	41400.62
32.0	.00	.00	.00	.00	2625.31	17192.02	5168.24	1072.48	273.49	26331.55
36.0	.00	.00	.00	.00	33.60	10708.65	5109.49	1072.18	273.15	17197.08
39.0	.00	.00	.00	.00	.00	5406.19	4990.30	1070.34	272.91	11739.75
42.0	.00	.00	.00	.00	.00	2368.48	4780.44	1069.48	272.17	8490.56
45.0	.00	.00	.00	.00	.00	824.95	4383.70	1067.94	271.81	6548.41
48.0	.00	.00	.00	.00	.00	133.92	3661.52	1065.60	270.50	5131.53
50.0	.00	.00	.00	.00	.00	.15	4994.91	2115.03	539.71	7649.80
53.0	.00	.00	.00	.00	.00	.00	3865.88	3089.43	805.94	7761.25
55.0	.00	.00	.00	.00	.00	.00	1435.85	2905.93	799.04	5140.81
58.0	.00	.00	.00	.00	.00	.00	325.63	2544.89	791.76	3662.28
60.0	.00	.00	.00	.00	.00	.00	15.23	1866.06	783.54	2664.82
62.0	.00	.00	.00	.00	.00	.00	.00	1864.99	1277.37	3142.35
64.0	.00	.00	.00	.00	.00	.00	.00	911.98	1223.16	2135.14
66.0	.00	.00	.00	.00	.00	.00	.00	394.55	1137.82	1532.37
68.0	.00	.00	.00	.00	.00	.00	.00	100.42	1038.81	1139.23
69.0	.00	.00	.00	.00	.00	.00	.00	5.71	863.02	868.72
70.0	.00	.00	.00	.00	.00	.00	.00	.00	8266.41	8266.41

Fig. 7.4.8: Continued

TABLE 6A. SUMMARY OF TAXABLE INCOME BY MARGINAL TAX RATES

SOURCE: PLAN Y TAXABLE INCOME

HEAD OF HOUSEHOLD SCHEDULE

EXPANDED INCOME

MARGINAL TAX RATE	$******** <$ 5000.	$ 5000. <$ 10000.	$ 10000. <$ 15000.	$ 15000. <$ 20000.	$ 20000. <$ 30000.	$ 30000. <$ 50000.	$ 50000. <$ 100000.	$ 100000. <$ 200000.	$ 200000. <$********	ALL CLASSES
14.0	52.56	1519.26	1261.62	642.78	307.94	87.08	19.41	5.75	1.55	3897.92
16.0	20.05	1459.87	1259.20	642.78	307.94	87.08	19.41	5.75	1.55	3803.62
18.0	.00	1892.80	2469.00	1278.74	615.87	172.55	38.82	11.49	3.09	6482.37
19.0	.00	488.38	2215.42	1266.33	615.87	172.54	38.82	11.49	3.09	4811.95
22.0	.00	15.29	1455.59	1233.71	613.20	172.54	38.82	11.49	3.09	3543.74
23.0	.00	.00	582.05	1124.54	603.87	172.54	38.82	11.49	3.09	2536.41
25.0	.00	.00	69.03	830.53	593.47	171.01	38.82	11.49	3.09	1717.43
27.0	.00	.00	2.44	386.52	545.09	166.73	38.82	11.49	3.09	1154.19
28.0	.00	.00	.00	59.21	434.95	160.65	38.82	11.49	3.09	708.20
31.0	.00	.00	.00	.22	284.62	159.86	38.82	11.49	3.09	498.10
32.0	.00	.00	.00	.00	168.72	153.75	38.82	11.49	3.09	375.87
35.0	.00	.00	.00	.00	84.93	143.11	38.82	11.49	3.09	281.45
36.0	.00	.00	.00	.00	31.06	119.49	38.82	11.49	3.09	203.94
38.0	.00	.00	.00	.00	5.37	101.11	38.82	11.49	3.09	159.88
41.0	.00	.00	.00	.00	.12	71.38	38.82	11.49	3.09	124.90
42.0	.00	.00	.00	.00	.00	79.17	76.85	22.98	6.18	185.18
45.0	.00	.00	.00	.00	.00	34.63	74.16	22.98	6.18	137.95
48.0	.00	.00	.00	.00	.00	8.07	34.01	11.49	3.08	56.66
51.0	.00	.00	.00	.00	.00	1.13	33.36	11.49	3.08	49.06
52.0	.00	.00	.00	.00	.00	.00	60.95	22.82	6.16	89.93
55.0	.00	.00	.00	.00	.00	.00	71.93	32.67	9.20	113.79
56.0	.00	.00	.00	.00	.00	.00	19.15	10.89	3.06	33.10
58.0	.00	.00	.00	.00	.00	.00	61.03	62.24	17.76	141.03
59.0	.00	.00	.00	.00	.00	.00	15.46	28.54	8.69	52.69
61.0	.00	.00	.00	.00	.00	.00	5.78	27.81	8.69	42.28
62.0	.00	.00	.00	.00	.00	.00	.84	18.00	5.79	24.63
63.0	.00	.00	.00	.00	.00	.00	1.68	33.89	11.59	47.16
64.0	.00	.00	.00	.00	.00	.00	.26	45.81	17.38	63.45
66.0	.00	.00	.00	.00	.00	.00	.00	46.96	28.97	75.93
67.0	.00	.00	.00	.00	.00	.00	.00	23.10	28.81	51.92
68.0	.00	.00	.00	.00	.00	.00	.00	8.09	27.16	35.25
69.0	.00	.00	.00	.00	.00	.00	.00	4.54	27.03	31.57
70.0	.00	.00	.00	.00	.00	.00	.00	1.45	275.45	276.90

Fig. 7.4.8: Continued

TABLE 6A. SUMMARY OF TAXABLE INCOME BY MARGINAL TAX RATES

SOURCE: PLAN Y TAXABLE INCOME ALL SCHEDULES

EXPANDED INCOME

MARGINAL TAX RATE	$******** <$ 5000.	$ 5000. <$ 10000.	$ 10000. <$ 15000.	$ 15000. <$ 20000.	$ 20000. <$ 30000.	$ 30000. <$ 50000.	$ 50000. <$ 100000.	$ 100000. <$ 200000.	$ 200000. <$********	ALL CLASSES
14.0	1786.56	9806.43	11069.92	10334.57	12320.46	5670.78	1374.03	286.91	73.67	52723.33
15.0	1119.99	7659.44	9759.28	9687.99	12010.17	5582.07	1354.20	281.15	72.13	47526.41
16.0	580.25	7942.71	10777.40	10312.18	12307.10	5667.67	1373.44	286.87	73.67	49321.28
17.0	106.12	5413.14	8990.35	9627.04	11988.44	5579.46	1354.03	281.08	72.12	43411.78
18.0	.00	1892.80	2469.00	1278.74	615.87	172.55	38.82	11.49	3.09	6482.37
19.0	12.80	13554.04	26677.52	37993.55	48382.84	22475.02	5452.79	1132.84	291.34	155972.75
21.0	.00	4789.34	9376.83	4517.97	2353.87	626.56	192.57	41.72	13.50	21912.36
22.0	.00	15.29	2628.22	20561.48	44236.92	21788.35	5254.97	1088.98	277.36	95851.57
23.0	.00	.00	582.05	1124.54	603.87	172.54	38.82	11.49	3.09	2536.41
24.0	.00	430.19	7993.90	4448.46	2346.60	623.60	192.57	41.72	13.50	16090.53
25.0	.00	.00	4013.92	7474.10	36145.45	22234.15	5438.74	1129.08	290.73	76726.17
27.0	.00	.00	870.96	4409.53	2832.94	786.68	231.39	53.21	16.59	9201.29
28.0	.00	.00	.00	70.44	14594.57	20847.94	5232.47	1086.48	276.93	42108.82
29.0	.00	.00	1.03	2398.01	2195.58	617.90	192.57	41.72	13.50	5460.30
31.0	.00	.00	.00	843.10	2344.52	765.32	231.39	53.21	16.59	4254.12
32.0	.00	.00	.00	.00	2794.03	17345.77	5207.06	1083.97	276.58	26707.42
34.0	.00	.00	.00	61.14	1619.32	596.88	192.29	41.71	13.50	2524.84
35.0	.00	.00	.00	.00	84.93	143.11	38.82	11.49	3.09	281.45
36.0	.00	.00	.00	1.73	1052.92	11410.78	5340.46	1125.34	289.74	19220.97
38.0	.00	.00	.00	.00	542.73	656.69	230.96	53.16	16.53	1500.07
39.0	.00	.00	.00	.00	.00	5406.19	4990.30	1070.34	272.91	11739.75
40.0	.00	.00	.00	.00	310.41	990.95	377.36	83.34	26.67	1788.73
41.0	.00	.00	.00	.00	.12	71.38	38.82	11.49	3.09	124.90
42.0	.00	.00	.00	.00	.00	2447.65	4857.29	1092.46	278.35	8675.74
45.0	.00	.00	.00	.00	3.13	1752.82	5008.52	1214.47	317.97	8296.90
48.0	.00	.00	.00	.00	.00	141.99	3695.52	1077.09	273.58	5188.19
50.0	.00	.00	.00	.00	.00	287.15	5505.01	2236.72	579.68	8608.55
51.0	.00	.00	.00	.00	.00	1.13	33.36	11.49	3.08	49.06
52.0	.00	.00	.00	.00	.00	.00	60.95	22.82	6.16	89.93
53.0	.00	.00	.00	.00	.00	.00	3865.88	3089.43	805.94	7761.25
55.0	.00	.00	.00	.00	.00	50.27	1957.54	3055.06	848.19	5911.06
56.0	.00	.00	.00	.00	.00	.00	19.15	10.89	3.06	33.10
58.0	.00	.00	.00	.00	.00	.00	386.65	2607.14	809.52	3803.31
59.0	.00	.00	.00	.00	.00	.00	15.46	28.54	8.69	52.69
60.0	.00	.00	.00	.00	.00	.00	357.77	1980.79	823.47	3162.03
61.0	.00	.00	.00	.00	.00	.00	5.78	27.81	8.69	42.28
62.0	.00	.00	.00	.00	.00	.00	329.95	2065.90	1349.53	3745.39
63.0	.00	.00	.00	.00	.00	.00	1.68	33.89	11.59	47.16
64.0	.00	.00	.00	.00	.00	.00	162.07	1122.71	1306.20	2590.99
66.0	.00	.00	.00	.00	.00	.00	73.44	587.67	1231.88	1892.98
67.0	.00	.00	.00	.00	.00	.00	.00	23.10	28.81	51.92
68.0	.00	.00	.00	.00	.00	.00	24.14	229.24	1130.10	1383.48
69.0	.00	.00	.00	.00	.00	.00	4.07	107.10	953.30	1064.47
70.0	.00	.00	.00	.00	.00	.00	.00	179.93	10333.15	10513.08

Fig. 7.4.8: Continued

7.4.9. TABLE 7: DISTRIBUTION OF RETURNS BY EFFECTIVE TAX R

TABLE 7 PRESENTS THE AGGREGATE NUMBER OF RETURNS IN EACH EFFECTIVE TAX RATE BRACKET UNDER BOTH THE PRESENT LAW AND THE PROPOSED TAX LAW BY TYPE OF DEDUCTION FOR EACH TAX SCHEDULE UNDER AN INCOME CONCEPT. AT PRESENT, THE EFFECTIVE TAX RATE IS CALCULATED ON THE BASIS OF THREE DIFFERENT INCOME CONCEPTS: TOTAL INCOME, ADJUSTED GROSS INCOME, AND TAXABLE INCOME. THE DEFINITION OF AGI AND TAX SCHEDULE ARE EQUIVALENT TO THOSE OF TABLE 1 WHILE THE DEFINITION OF TAXABLE INCOME IS EQUIVALENT TO THAT OF TABLE 6.

THIS TABLE CONSISTS OF 60 PAGES EACH OF WHICH CONTAIN THE OUTPUT FOR TWO TAX SCHEDULES AS SHOWN IN FIGURE 7.4.9. LOGIC SWITCH NUMBER 17 CONTROLS THE COMPUTATION OF THIS TABLE AS DOCUMENTED IN 6.2.2. WHEN TABLE 7 IS REQUESTED, THE PRINT CONTROL CARD DOCUMENTED IN 6.2.8 MUST BE INCLUDED IN THE INPUT DECK.

7.4.10. TABLE 7A: AVERAGE INCOME TAX RATES.

THIS TABLE IS A SUMMARY OF TABLE 7 AND THEREFORE, PRESENTS THE AVERAGE EFFECTIVE TAX RATE IN EACH ADJUSTED GROSS INCOME CLASS UNDER BOTH THE PRESENT AND THE PROPOSED TAX LAW BY TAX SCHEDULE FOR EACH DEDUCTION TYPE UNDER THE GIVEN INCOME CONCEPT.

TABLE 7A CANNOT BE EDITED AND IS ALWAYS PRINTED WHEN TABLE 7 IS REQUESTED. THIS TABLE , WHICH CONSISTS OF 3 PAGES (ONE FOR EACH INCOME CONCEPT), IS PRESENTED IN FIGURE 7.4.10.

TABLE 7. DISTRIBUTION OF ESTIMATED AGGREGATE NO. OF RETURNS BY EFFECTIVE TAX RATE UNDER PRESENT AND PROPOSED LAW

RETURNS FOR ALL LEVELS OF INCOME CONCEPT

TAX RATE COMPUTED ON
ADJUSTED GROSS INCOME

*** SCHEDULE 1 ***

EFFECTIVE TAX RATE	ITEMIZED DEDUCTION RETURNS				STANDARD DEDUCTION RETURNS				TOTAL RETURNS, EITHER DEDUCTION			
	PRESENT LAW		PROPOSED	CHANGE	PRESENT LAW		PROPOSED	CHANGE	PRESENT LAW		PROPOSED	CHANGE
.0 - 5.0	626426.	(17.5)	661071.	(18.5)	16930207.	(53.0)	17961708.	(56.3)	17556635.	(49.5)	18622781.	(52.5)
5.0 - 7.5	174570.	(4.9)	218933.	(6.1)	2857386.	(9.0)	2833265.	(8.9)	3031956.	(8.5)	3052199.	(8.6)
7.5 - 10.0	311699.	(8.7)	327309.	(9.1)	3598174.	(11.3)	3612955.	(11.3)	3909873.	(11.0)	3940264.	(11.1)
10.0 - 12.5	419914.	(11.7)	453070.	(12.7)	3243194.	(10.2)	2900765.	(9.1)	3663109.	(10.3)	3353835.	(9.4)
12.5 - 15.0	573329.	(16.0)	575617.	(16.1)	2449719.	(7.7)	2272181.	(7.1)	3023048.	(8.5)	2847798.	(8.0)
15.0 - 20.0	973365.	(27.2)	887338.	(24.8)	2316091.	(7.3)	1860939.	(5.8)	3289455.	(9.3)	2748276.	(7.7)
20.0 - 25.0	321327.	(9.0)	291655.	(8.1)	431699.	(1.4)	394217.	(1.2)	753026.	(2.1)	685873.	(1.9)
25.0 - 30.0	96353.	(2.7)	90784.	(2.5)	68673.	(.2)	63895.	(.2)	165026.	(.5)	154678.	(.4)
30.0 - 35.0	47334.	(1.3)	38735.	(1.1)	17427.	(.1)	13431.	(.0)	64761.	(.2)	52165.	(.1)
35.0 - 40.0	16784.	(.5)	17411.	(.5)	5147.	(.0)	4360.	(.0)	21931.	(.1)	21771.	(.1)
40.0 - 45.0	11414.	(.3)	10872.	(.3)	1932.	(.0)	1932.	(.0)	13346.	(.0)	12804.	(.0)
45.0 - 50.0	4226.	(.1)	4021.	(.1)	677.	(.0)	677.	(.0)	4903.	(.0)	4698.	(.0)
50.0 - 60.0	2356.	(.1)	2308.	(.1)	105.	(.0)	105.	(.0)	2461.	(.0)	2414.	(.0)
60.0 - ****	309.	(.0)	283.	(.0)	29.	(.0)	29.	(.0)	338.	(.0)	312.	(.0)
TOTAL	3579406.	(100.)	3579406.	(100.)	31920458.	(100.)	31920458.	(100.)	35499863.	(100.)	35499863.	(100.)

*** SCHEDULE 2 ***

EFFECTIVE TAX RATE	ITEMIZED DEDUCTION RETURNS				STANDARD DEDUCTION RETURNS				TOTAL RETURNS, EITHER DEDUCTION			
	PRESENT LAW		PROPOSED	CHANGE	PRESENT LAW		PROPOSED	CHANGE	PRESENT LAW		PROPOSED	CHANGE
.0 - 5.0	2370379.	(10.8)	3242958.	(14.7)	10063348.	(40.3)	11247967.	(45.0)	12433706.	(26.5)	14490904.	(30.8)
5.0 - 7.5	1871785.	(8.5)	2261793.	(10.3)	2407719.	(9.6)	2619157.	(10.5)	4279503.	(9.1)	4880950.	(10.4)
7.5 - 10.0	3075042.	(14.0)	3504667.	(15.9)	3150693.	(12.6)	3095980.	(12.4)	6225736.	(13.2)	6600650.	(14.0)
10.0 - 12.5	3978787.	(18.1)	3848619.	(17.5)	3164398.	(12.7)	3013253.	(12.1)	7143189.	(15.2)	6861876.	(14.6)
12.5 - 15.0	3780687.	(17.2)	3312805.	(15.0)	2996486.	(12.0)	2495385.	(10.0)	6777177.	(14.4)	5808195.	(12.4)
15.0 - 20.0	4525828.	(20.6)	3773436.	(17.1)	2551254.	(10.2)	1990662.	(8.0)	7077088.	(15.1)	5764105.	(12.3)
20.0 - 25.0	1435405.	(6.5)	1182395.	(5.4)	512209.	(2.1)	405233.	(1.6)	1947617.	(4.1)	1587631.	(3.4)
25.0 - 30.0	513018.	(2.3)	464375.	(2.1)	95995.	(.4)	81188.	(.3)	609015.	(1.3)	545564.	(1.2)
30.0 - 35.0	255292.	(1.2)	232679.	(1.1)	25701.	(.1)	20272.	(.1)	280994.	(.6)	252952.	(.5)
35.0 - 40.0	130931.	(.6)	118557.	(.5)	10133.	(.0)	9981.	(.0)	141064.	(.3)	128539.	(.3)
40.0 - 45.0	53401.	(.2)	49190.	(.2)	5578.	(.0)	4578.	(.0)	58980.	(.1)	53768.	(.1)
45.0 - 50.0	15476.	(.1)	15172.	(.1)	1182.	(.0)	1040.	(.0)	16658.	(.0)	16213.	(.0)
50.0 - 60.0	7644.	(.0)	7032.	(.0)	895.	(.0)	895.	(.0)	8539.	(.0)	7927.	(.0)
60.0 - ****	434.	(.0)	430.	(.0)	128.	(.0)	128.	(.0)	562.	(.0)	558.	(.0)
TOTAL	22014108.	(100.)	22014108.	(100.)	24985717.	(100.)	24985717.	(100.)	46999825.	(100.)	46999825.	(100.)

Fig. 7.4.9: Table 7, Selected Pages

TABLE 7. DISTRIBUTION OF ESTIMATED AGGREGATE NO. OF RETURNS BY EFFECTIVE TAX RATE UNDER PRESENT AND PROPOSED LAW

RETURNS FOR ALL LEVELS OF INCOME CONCEPT

TAX RATE COMPUTED ON
ADJUSTED GROSS INCOME

*** SCHEDULE 3 ***

EFFECTIVE TAX RATE	ITEMIZED DEDUCTION RETURNS				STANDARD DEDUCTION RETURNS				TOTAL RETURNS, EITHER DEDUCTION			
	PRESENT LAW		PROPOSED	CHANGE	PRESENT LAW		PROPOSED	CHANGE	PRESENT LAW		PROPOSED	CHANGE
.0 - 5.0	275866.	(17.9)	339030.	(22.0)	2284113.	(51.2)	2451301.	(55.0)	2559979.	(42.7)	2790331.	(46.5)
5.0 - 7.5	169406.	(11.0)	210585.	(13.7)	428150.	(9.6)	543742.	(12.2)	597555.	(10.0)	754326.	(12.6)
7.5 - 10.0	278053.	(18.1)	291835.	(18.9)	698737.	(15.7)	577353.	(12.9)	976790.	(16.3)	869188.	(14.5)
10.0 - 12.5	316773.	(20.6)	283582.	(18.4)	478724.	(10.7)	439244.	(9.8)	795497.	(13.3)	722826.	(12.0)
12.5 - 15.0	239666.	(15.6)	207226.	(13.5)	305998.	(6.9)	250557.	(5.6)	545664.	(9.1)	457783.	(7.6)
15.0 - 20.0	191646.	(12.4)	148050.	(9.6)	239053.	(5.4)	178985.	(4.0)	430699.	(7.2)	327035.	(5.5)
20.0 - 25.0	41907.	(2.7)	37910.	(2.5)	19317.	(.4)	13723.	(.3)	61224.	(1.0)	51633.	(.9)
25.0 - 30.0	14438.	(.9)	9745.	(.6)	4889.	(.1)	4078.	(.1)	19327.	(.3)	13823.	(.2)
30.0 - 35.0	6971.	(.5)	6967.	(.5)	171.	(.0)	171.	(.0)	7142.	(.1)	7138.	(.1)
35.0 - 40.0	2889.	(.2)	2687.	(.2)	234.	(.0)	234.	(.0)	3123.	(.1)	2921.	(.0)
40.0 - 45.0	1253.	(.1)	1461.	(.1)	0.	(.0)	0.	(.0)	1253.	(.0)	1461.	(.0)
45.0 - 50.0	966.	(.1)	758.	(.0)	331.	(.0)	331.	(.0)	1297.	(.0)	1089.	(.0)
50.0 - 60.0	533.	(.0)	530.	(.0)	0.	(.0)	0.	(.0)	533.	(.0)	530.	(.0)
60.0 - ****	8.	(.0)	8.	(.0)	2.	(.0)	2.	(.0)	11.	(.0)	11.	(.0)
TOTAL	1540375.	(100.)	1540375.	(100.)	4459720.	(100.)	4459720.	(100.)	6000095.	(100.)	6000095.	(100.)

*** ALL SCHEDULES ***

EFFECTIVE TAX RATE	ITEMIZED DEDUCTION RETURNS				STANDARD DEDUCTION RETURNS				TOTAL RETURNS, EITHER DEDUCTION			
	PRESENT LAW		PROPOSED	CHANGE	PRESENT LAW		PROPOSED	CHANGE	PRESENT LAW		PROPOSED	CHANGE
.0 - 5.0	3272668.	(12.1)	4243057.	(15.6)	29277667.	(47.7)	31660974.	(51.6)	32550303.	(36.8)	35903996.	(40.6)
5.0 - 7.5	2215761.	(8.2)	2691312.	(9.9)	5693255.	(9.3)	5996164.	(9.8)	7909014.	(8.9)	8687475.	(9.8)
7.5 - 10.0	3664795.	(13.5)	4123812.	(15.2)	7447604.	(12.1)	7286288.	(11.9)	11112400.	(12.6)	11410103.	(12.9)
10.0 - 12.5	4715475.	(17.4)	4585272.	(16.9)	6886317.	(11.2)	6353262.	(10.4)	11601798.	(13.1)	10938540.	(12.4)
12.5 - 15.0	4593683.	(16.9)	4095649.	(15.1)	5752203.	(9.4)	5018124.	(8.2)	10345893.	(11.7)	9113780.	(10.3)
15.0 - 20.0	5690838.	(21.0)	4808822.	(17.7)	5106398.	(8.3)	4030586.	(6.6)	10797248.	(12.2)	8839420.	(10.0)
20.0 - 25.0	1798639.	(6.6)	1511961.	(5.6)	963224.	(1.6)	813173.	(1.3)	2761868.	(3.1)	2325138.	(2.6)
25.0 - 30.0	623810.	(2.3)	564904.	(2.1)	169557.	(.3)	149160.	(.2)	793368.	(.9)	714066.	(.8)
30.0 - 35.0	309597.	(1.1)	278380.	(1.0)	43299.	(.1)	33875.	(.1)	352897.	(.4)	312256.	(.4)
35.0 - 40.0	150603.	(.6)	138655.	(.5)	15514.	(.0)	14576.	(.0)	166118.	(.2)	153231.	(.2)
40.0 - 45.0	66069.	(.2)	61524.	(.2)	7510.	(.0)	6509.	(.0)	73579.	(.1)	68034.	(.1)
45.0 - 50.0	20669.	(.1)	19951.	(.1)	2190.	(.0)	2048.	(.0)	22859.	(.0)	21999.	(.0)
50.0 - 60.0	10533.	(.0)	9870.	(.0)	1000.	(.0)	1000.	(.0)	11533.	(.0)	10871.	(.0)
60.0 - ****	751.	(.0)	722.	(.0)	159.	(.0)	159.	(.0)	910.	(.0)	881.	(.0)
TOTAL	27133890.	(100.)	27133890.	(100.)	61365895.	(100.)	61365895.	(100.)	88499784.	(100.)	88499784.	(100.)

Fig. 7.4.9: Continued

TABLE 7A. AVERAGE INCOME TAX RATES BY INCOME CLASS, DEDUCTION TYPE, AND SCHEDULE.

TAX RATE COMPUTED ON
ESTIMATED TOTAL INCOME

ITEMIZED DEDUCTIONS

ADJUSTED GROSS INCOME CLASS	SCHEDULE 1 OLD	SCHEDULE 1 NEW	SCHEDULE 2 OLD	SCHEDULE 2 NEW	SCHEDULE 3 OLD	SCHEDULE 3 NEW	ALL SCHEDULES OLD	ALL SCHEDULES NEW
$********-$ 5000.	1.63	1.22	-.73	-.95	-5.01	-5.50	.36	.01
$ 5000.-$ 10000.	6.53	5.76	3.83	2.75	5.74	4.37	4.89	3.85
$ 10000.-$ 15000.	12.83	12.19	7.90	6.60	10.39	9.29	9.19	8.04
$ 15000.-$ 20000.	16.00	15.45	10.89	9.64	13.35	12.36	11.89	10.78
$ 20000.-$ 30000.	18.87	18.35	14.25	13.15	15.78	14.97	14.67	13.62
$ 30000.-$ 50000.	22.91	22.47	18.93	17.97	19.31	18.56	19.13	18.21
$ 50000.-$ 100000.	29.39	29.05	25.88	25.15	27.19	26.62	26.14	25.44
$ 100000.-$ 200000.	30.44	30.25	31.50	31.11	32.61	32.33	31.44	31.07
$ 200000.-$********	32.28	32.24	31.53	31.42	31.17	31.11	31.60	31.51
	19.35	18.86	18.32	17.39	15.12	14.22	18.31	17.42

STANDARD DEDUCTIONS

ADJUSTED GROSS INCOME CLASS	SCHEDULE 1 OLD	SCHEDULE 1 NEW	SCHEDULE 2 OLD	SCHEDULE 2 NEW	SCHEDULE 3 OLD	SCHEDULE 3 NEW	ALL SCHEDULES OLD	ALL SCHEDULES NEW
$********-$ 5000.	1.37	.97	-3.21	-3.27	-6.92	-7.10	-.27	-.57
$ 5000.-$ 10000.	8.80	8.06	2.56	1.72	4.90	3.79	6.12	5.31
$ 10000.-$ 15000.	13.96	13.36	7.80	6.62	11.30	10.26	10.53	9.59
$ 15000.-$ 20000.	17.40	16.87	11.54	10.45	15.10	14.19	13.04	12.09
$ 20000.-$ 30000.	21.23	20.74	15.08	14.14	17.86	16.92	15.82	14.92
$ 30000.-$ 50000.	24.19	23.77	19.80	18.99	23.51	22.82	20.26	19.49
$ 50000.-$ 100000.	33.44	33.09	23.01	22.41	23.95	23.27	23.98	23.40
$ 100000.-$ 200000.	28.18	28.06	28.47	28.18	34.23	34.01	28.77	28.49
$ 200000.-$********	46.29	46.24	29.66	29.56	25.66	25.61	30.16	30.05
	10.89	10.31	11.34	10.39	7.87	6.93	10.97	10.15

ALL DEDUCTIONS

ADJUSTED GROSS INCOME CLASS	SCHEDULE 1 OLD	SCHEDULE 1 NEW	SCHEDULE 2 OLD	SCHEDULE 2 NEW	SCHEDULE 3 OLD	SCHEDULE 3 NEW	ALL SCHEDULES OLD	ALL SCHEDULES NEW
$********-$ 5000.	1.37	.97	-3.12	-3.18	-6.89	-7.07	-.25	-.56
$ 5000.-$ 10000.	8.66	7.92	2.76	1.88	5.03	3.88	5.99	5.15
$ 10000.-$ 15000.	13.77	13.16	7.84	6.62	10.96	9.90	10.15	9.15
$ 15000.-$ 20000.	16.88	16.35	11.24	10.08	14.20	13.25	12.53	11.51
$ 20000.-$ 30000.	19.93	19.42	14.56	13.51	16.38	15.53	15.10	14.11
$ 30000.-$ 50000.	23.27	22.84	19.07	18.14	19.90	19.16	19.33	18.42
$ 50000.-$ 100000.	29.90	29.56	25.61	24.89	27.11	26.55	25.94	25.24
$ 100000.-$ 200000.	30.37	30.19	31.35	30.97	32.83	32.55	31.31	30.94
$ 200000.-$********	32.39	32.35	31.48	31.37	31.04	30.97	31.57	31.47
	13.05	12.49	15.77	14.83	10.84	9.92	14.97	14.11

Fig. 7.4.10: Table 7A, Selected Pages

TAX RATE COMPUTED ON
ADJUSTED GROSS INCOME

ITEMIZED DEDUCTIONS

ADJUSTED GROSS INCOME CLASS	SCHEDULE 1 OLD	SCHEDULE 1 NEW	SCHEDULE 2 OLD	SCHEDULE 2 NEW	SCHEDULE 3 OLD	SCHEDULE 3 NEW	ALL SCHEDULES OLD	ALL SCHEDULES NEW
$********-$ 5000.	1.46	1.09	-.54	-.70	-5.49	-6.03	.30	.01
$ 5000.-$ 10000.	5.77	5.09	3.21	2.30	4.97	3.78	4.18	3.29
$ 10000.-$ 15000.	11.71	11.13	6.94	5.80	9.37	8.38	8.15	7.14
$ 15000.-$ 20000.	15.21	14.69	9.73	8.62	12.24	11.34	10.75	9.74
$ 20000.-$ 30000.	17.89	17.39	12.99	11.98	14.93	14.16	13.42	12.46
$ 30000.-$ 50000.	22.41	21.98	17.68	16.79	18.66	17.94	17.92	17.05
$ 50000.-$ 100000.	29.96	29.61	25.17	24.45	27.55	26.98	25.52	24.83
$ 100000.-$ 200000.	33.71	33.51	33.15	32.74	34.20	33.90	33.21	32.82
$ 200000.-$********	38.34	38.29	37.24	37.11	38.11	38.03	37.38	37.27
	18.74	18.27	17.25	16.37	14.19	13.34	17.28	16.44

STANDARD DEDUCTIONS

ADJUSTED GROSS INCOME CLASS	SCHEDULE 1 OLD	SCHEDULE 1 NEW	SCHEDULE 2 OLD	SCHEDULE 2 NEW	SCHEDULE 3 OLD	SCHEDULE 3 NEW	ALL SCHEDULES OLD	ALL SCHEDULES NEW
$********-$ 5000.	1.40	.99	-7.22	-7.34	-7.19	-7.37	-.31	-.67
$ 5000.-$ 10000.	8.72	7.99	2.54	1.70	4.82	3.73	6.06	5.25
$ 10000.-$ 15000.	13.80	13.21	7.76	6.58	11.11	10.08	10.43	9.50
$ 15000.-$ 20000.	17.39	16.86	11.40	10.32	14.88	13.97	12.92	11.98
$ 20000.-$ 30000.	21.41	20.91	15.02	14.08	17.89	16.94	15.77	14.88
$ 30000.-$ 50000.	25.76	25.32	20.19	19.37	24.13	23.42	20.74	19.95
$ 50000.-$ 100000.	35.59	35.22	25.47	24.80	24.78	24.08	26.43	25.80
$ 100000.-$ 200000.	36.00	35.85	33.27	32.93	38.56	38.31	33.68	33.35
$ 200000.-$********	53.28	53.22	39.07	38.93	37.52	37.45	39.61	39.47
	10.91	10.32	11.55	10.58	7.80	6.87	11.09	10.26

ALL DEDUCTIONS

ADJUSTED GROSS INCOME CLASS	SCHEDULE 1 OLD	SCHEDULE 1 NEW	SCHEDULE 2 OLD	SCHEDULE 2 NEW	SCHEDULE 3 OLD	SCHEDULE 3 NEW	ALL SCHEDULES OLD	ALL SCHEDULES NEW
$********-$ 5000.	1.40	1.00	-6.51	-6.64	-7.16	-7.35	-.29	-.64
$ 5000.-$ 10000.	8.52	7.79	2.66	1.81	4.84	3.74	5.83	5.01
$ 10000.-$ 15000.	13.43	12.84	7.45	6.29	10.42	9.41	9.73	8.78
$ 15000.-$ 20000.	16.56	16.04	10.59	9.50	13.47	12.57	11.91	10.93
$ 20000.-$ 30000.	19.42	18.92	13.69	12.71	15.75	14.94	14.25	13.32
$ 30000.-$ 50000.	23.29	22.85	18.06	17.18	19.40	18.68	18.36	17.51
$ 50000.-$ 100000.	30.65	30.29	25.19	24.48	27.49	26.92	25.59	24.91
$ 100000.-$ 200000.	33.77	33.56	33.16	32.75	34.74	34.45	33.23	32.84
$ 200000.-$********	38.45	38.41	37.28	37.16	38.10	38.01	37.43	37.32
	12.96	12.40	15.27	14.36	10.50	9.61	14.56	13.73

Fig. 7.4.10: Continued

TAX RATE COMPUTED ON
PRESENT TAXABLE INCOME

ITEMIZED DEDUCTIONS

ADJUSTED GROSS INCOME CLASS	SCHEDULE 1 OLD	SCHEDULE 1 NEW	SCHEDULE 2 OLD	SCHEDULE 2 NEW	SCHEDULE 3 OLD	SCHEDULE 3 NEW	ALL SCHEDULES OLD	ALL SCHEDULES NEW
$********-$ 5000.	15.29	11.43	-12.66	-16.47	-90.97	-99.96	4.18	.12
$ 5000.-$ 10000.	15.88	14.01	14.45	10.37	14.40	10.95	14.95	11.78
$ 10000.-$ 15000.	18.78	17.84	16.49	13.78	17.66	15.79	17.23	15.09
$ 15000.-$ 20000.	21.52	20.79	17.94	15.89	19.57	18.13	18.75	17.00
$ 20000.-$ 30000.	24.46	23.79	20.54	18.96	22.50	21.34	20.94	19.45
$ 30000.-$ 50000.	29.91	29.33	24.97	23.71	26.63	25.60	25.24	24.02
$ 50000.-$ 100000.	39.42	38.96	33.60	32.65	36.88	36.12	34.04	33.12
$ 100000.-$ 200000.	49.36	49.06	43.22	42.69	45.92	45.52	43.67	43.15
$ 200000.-$********	65.31	65.24	57.55	57.36	61.67	61.54	58.47	58.29
	27.99	27.29	26.72	25.36	23.78	22.36	26.75	25.45

STANDARD DEDUCTIONS

ADJUSTED GROSS INCOME CLASS	SCHEDULE 1 OLD	SCHEDULE 1 NEW	SCHEDULE 2 OLD	SCHEDULE 2 NEW	SCHEDULE 3 OLD	SCHEDULE 3 NEW	ALL SCHEDULES OLD	ALL SCHEDULES NEW
$********-$ 5000.	14.87	10.54	-248.57	-252.70	-248.92	-255.39	-3.80	-8.19
$ 5000.-$ 10000.	16.56	15.17	12.71	8.52	13.25	10.26	15.51	13.44
$ 10000.-$ 15000.	19.22	18.40	16.51	14.01	17.89	16.23	17.96	16.36
$ 15000.-$ 20000.	22.00	21.33	18.30	16.57	20.30	19.07	19.40	17.98
$ 20000.-$ 30000.	25.59	24.99	20.79	19.48	22.92	21.71	21.43	20.22
$ 30000.-$ 50000.	30.90	30.37	25.21	24.18	28.65	27.80	25.79	24.81
$ 50000.-$ 100000.	40.18	39.77	32.12	31.28	27.23	26.46	32.96	32.16
$ 100000.-$ 200000.	48.82	48.61	41.78	41.35	45.83	45.53	42.27	41.86
$ 200000.-$********	61.89	61.81	56.34	56.13	70.95	70.82	56.86	56.66
	19.77	18.70	20.03	18.35	16.15	14.23	19.73	18.24

ALL DEDUCTIONS

ADJUSTED GROSS INCOME CLASS	SCHEDULE 1 OLD	SCHEDULE 1 NEW	SCHEDULE 2 OLD	SCHEDULE 2 NEW	SCHEDULE 3 OLD	SCHEDULE 3 NEW	ALL SCHEDULES OLD	ALL SCHEDULES NEW
$********-$ 5000.	14.88	10.56	-213.74	-217.82	-242.97	-249.54	-3.57	-7.95
$ 5000.-$ 10000.	16.53	15.11	13.05	8.89	13.43	10.36	15.46	13.29
$ 10000.-$ 15000.	19.15	18.31	16.50	13.93	17.81	16.08	17.77	16.02
$ 15000.-$ 20000.	21.83	21.14	18.14	16.27	19.94	18.61	19.12	17.56
$ 20000.-$ 30000.	24.99	24.35	20.63	19.16	22.63	21.46	21.13	19.75
$ 30000.-$ 50000.	30.19	29.62	25.01	23.79	26.95	25.94	25.34	24.16
$ 50000.-$ 100000.	39.52	39.07	33.47	32.53	36.62	35.85	33.94	33.03
$ 100000.-$ 200000.	49.35	49.05	43.16	42.63	45.91	45.52	43.60	43.09
$ 200000.-$********	65.27	65.20	57.52	57.33	61.84	61.70	58.43	58.25
	22.24	21.29	24.56	23.10	19.78	18.10	23.91	22.53

Fig. 7.4.10: Continued

7.4.11. TABLE 1B: SUMMARY EFFECTS OF PROPOSED TAX CHANGE.

TABLE 1B PRESENTS A SUMMARY OF MOST OF THE ITEMS THAT HAVE ALREADY APPEARED IN TABLES 1A AND 5 AS WELL AS SOME ITEMS THAT DO NOT APPEAR ANYWHERE ELSE IN THE TAX MODEL OUTPUT. THE TABLE IS ILLUSTRATED IN FIG. 7.4.11.

SOME OF THE ADDITIONAL ITEMS THAT APPEAR IN TABLE 1B ARE--

(A) THE NUMBER OF TAXABLE RETURNS UNDER PLAN X AND PLAN Y

(B) THE AMOUNT OF AGI UNDER PLAN Y AND THE CHANGE IN AGI

(C) THE AMOUNT OF TAXABLE INCOME UNDER PLAN X

(D) THE NUMBER OF ITEMIZED RETURNS UNDER PLAN X AND PLAN Y

(E) THE NUMBER OF RETURNS WITH OUTLAYS UNDER PLAN X AND PLAN Y

(F) THE AMOUNT OF EARNED INCOME CREDIT AND MINIMUM TAX UNDER PLAN X AND PLAN Y

(G) THE AMOUNT AND CHANGE IN OUTLAYS UNDER PLAN X AND PLAN Y

TABLE 1B. SUMMARY OF EFFECTS OF PROPOSED TAX LAW CHANGE FOR ALL RETURNS

EXPANDED INCOME	NUMBER OF RETURNS SAMPLE (UNITS)	AGGREGATE (THOUSANDS)	TAXABLE RETURNS PLAN X	PLAN Y	ADJUSTED GROSS INCOME ($MILLIONS) PLAN X	CHANGE	PLAN Y	TAXABLE INCOME PLAN X	CHANGE	PLAN Y
BELOW $ 5000.	6238.	23018.599	4571.909	3591.056	47491.	0.	47491.	5376.	-1530.	3845.
$ 5000.-$ 10000.	4514.	19158.147	15779.135	14542.518	141340.	0.	141340.	61598.	-8250.	53348.
$ 10000.-$ 15000.	4297.	14099.469	13808.459	13461.972	174989.	0.	174989.	105079.	-9025.	96054.
$ 15000.-$ 20000.	4661.	11608.881	11573.249	11477.181	201533.	0.	201533.	134491.	-8679.	125811.
$ 20000.-$ 30000.	10595.	12970.389	12933.034	12914.853	313540.	0.	313540.	222783.	-10896.	211887.
$ 30000.-$ 50000.	7989.	5837.763	5832.380	5831.625	212426.	0.	212426.	160005.	-5079.	154925.
$ 50000.-$ 100000.	4817.	1428.772	1428.423	1428.113	91377.	0.	91377.	72038.	-1298.	70740.
$ 100000.-$ 200000.	2784.	299.005	298.864	298.864	37442.	0.	37442.	30390.	-277.	30113.
$ 200000. AND ABOVE	4105.	77.867	77.861	77.861	29841.	0.	29841.	23590.	-69.	23521.
TOTALS	50000.	88498.891	66303.312	63624.040	1249978.	0.	1249978.	815348.	-45104.	770244.

EXPANDED INCOME	ITEMIZED RETURNS (THOUSANDS) PLAN X	PLAN Y	RETURNS WITH OUTLAYS PLAN X	PLAN Y	TOTAL E.I.C. ($MILLIONS) PLAN X	PLAN Y	MINIMUM TAX PLAN X	PLAN Y	MISCELLANEOUS ITEM (1)	(2)
BELOW $ 5000.	431.801	402.272	2682.280	2682.362	721.186	721.186	12.565	12.198	.000	.000
$ 5000.-$ 10000.	2229.829	2164.930	1825.155	2138.642	381.838	381.838	.089	.078	.000	.000
$ 10000.-$ 15000.	4242.657	4242.657	12.003	12.003	2.841	2.841	.892	.820	.000	.000
$ 15000.-$ 20000.	5389.026	5389.026	.000	.000	.011	.011	2.971	2.858	.000	.000
$ 20000.-$ 30000.	8278.054	8278.054	.000	.000	.000	.000	14.064	13.951	.000	.000
$ 30000.-$ 50000.	4897.363	4897.363	.000	.000	.000	.000	68.464	68.220	.000	.000
$ 50000.-$ 100000.	1304.158	1303.904	.000	.000	.089	.089	236.255	236.001	.000	.000
$ 100000.-$ 200000.	285.340	285.340	.000	.000	.000	.000	256.083	257.108	.000	.000
$ 200000. AND ABOVE	75.607	75.607	.000	.000	.033	.033	818.145	818.953	.000	.000
TOTALS	27133.833	27039.152	4519.438	4833.007	1105.998	1105.998	1409.528	1410.186	.000	.000

EXPANDED INCOME	TAX (POSITIVE ONLY) ($MILLIONS) PLAN X	CHANGE	PLAN Y	E.I.C., OUTLAY PORTION PLAN X	CHANGE	PLAN Y	TAX (NET OF OUTLAYS) PLAN X	CHANGE	PLAN Y
BELOW $ 5000.	578.	-163.720	414.	-715.	-4.688	-720.	-137.	-168.409	-306.
$ 5000.-$ 10000.	8521.	-1114.196	7407.	-273.	-44.957	-318.	8248.	-1159.152	7088.
$ 10000.-$ 15000.	17070.	-1676.655	15393.	-3.	.000	-3.	17067.	-1676.655	15391.
$ 15000.-$ 20000.	24054.	-1964.733	22090.	0.	.000	0.	24054.	-1964.733	22090.
$ 20000.-$ 30000.	44773.	-2935.294	41838.	0.	.000	0.	44773.	-2935.294	41838.
$ 30000.-$ 50000.	39258.	-1830.376	37428.	0.	.000	0.	39258.	-1830.376	37428.
$ 50000.-$ 100000.	24009.	-642.454	23367.	0.	.000	0.	24009.	-642.454	23367.
$ 100000.-$ 200000.	13130.	-153.509	12977.	0.	.000	0.	13130.	-153.509	12977.
$ 200000. AND ABOVE	13742.	-41.446	13701.	0.	.000	0.	13742.	-41.446	13701.
TOTALS	185137.	-10522.384	174614.	-991.	-49.645	-1041.	184145.	-10572.028	173573.

Fig. 7.4.11: Table 1B

8. EXAMPLE OF TAX MODEL INPUT CONTROL STREAMS.

8.1. INTRODUCTION.

THE INTENT OF THIS CHAPTER IS TO PROVIDE THE USER WITH SEVERAL EXAMPLES OF THE INPUT CONTROL STREAM FOR SPECIFIC TAX PROPOSALS. THE INPUT CONTROL STREAM FOR ANY GIVEN TAX PLAN MAY CONSIST OF ONLY DATA CARDS OR IT MAY CONSIST OF DATA CARDS AND 'FORTRAN' STATEMENTS THAT MODIFY THE EXISTING TAX MODEL PROGRAM. SECTION 8.3 PROVIDES THREE EXAMPLES OF TAX PROPOSALS THAT ARE CAPABLE OF BEING COMPLETELY SPECIFIED WITH DATA CARDS. SECTION 8.4 PRESENTS THREE MORE EXAMPLES. EACH OF THE EXAMPLES IN SECTION 8.4 REQUIRES SOME MODIFICATION OF THE EXISTING TAX MODEL PROGRAM AS WELL AS DATA CARDS IN ORDER TO COMPLETELY SPECIFY THE TAX PROPOSAL. FINALLY, THE REMAINNING SECTIONS CONTAIN SPECIALIZED EXAMPLES WHERE THE PURPOSE OF THE TAX MODEL RUN IS OTHER THAN REVENUE ESTIMATION.

8.2. SETUPS FOR STARTING MODEL RUNS.

IN ORDER TO EXECUTE EACH OF THE EXAMPLE TAX MODEL RUNS THAT FOLLOW, VARIOUS FILES MUST BE ASSIGNED PRIOR TO THE SPECIFICATION OF THE TAX PROPOSAL. EACH OF THE SUBSECTIONS BELOW CONTAIN THE APPROPRIATE CONTROL STATEMENTS TO 'SETUP' A TAX MODEL RUN FOR VARIOUS TAX LAWS AND PROJECTED LEVELS.

8.2.1. SETUP73: 1975 TAX LAW AND 1975 LEVELS.

```
@SYM PRINT$,,RMEXTR
@ASG,T 10.,F/2//64
@ASG,T 14.,F/10//64
@ASG,T 16.,F/10//64
@ASG,A DATA*FILENAME1975.
@USE 7.,DATA*FILENAME1975.
@ASG,AX MODEL-PROGRAM.
@ASG,T PFX.
@COPY MODEL-PROGRAM.,PFX.
@FREE MODEL-PROGRAM.
```

8.2.2. SETUP77: 1978 TAX LAW AND 1978 LEVELS.

```
@SYM PRINT$,,RMEXTR
@ASG,T 10.,F/2//64
@ASG,T 14.,F/10//64
@ASG,T 16.,F/10//64
@ASG,A DATA*FILENAME1978.
@USE 7.,DATA*FILENAME1978.
@ASG,AX MODEL-PROGRAM.
@ASG,T PFX.
@COPY MODEL-PROGRAM.,PFX.
@FREE MODEL-PROGRAM.
```

8.3. EXAMPLE RUNS EMPLOYING DATA CARDS.

8.3.1. EXAMPLE 1.

8.3.1.1. STATEMENT OF THE PROPOSAL.

SUPPOSE THAT ONE WANTS TO INVESTIGATE THE REVENUE EFFECT OF LIBERALIZING THE EXISTING TAX LAW. THE PROPOSED LIBERALIZATION WILL BE ACCOMPLISHED BY INCREASING THE LEVEL OF TAXPAYER EXEMPTIONS FROM $750 PER TAXPAYER EXEMPTION TO $1,000 PER TAXPAYER EXEMPTION. ALL OTHER PERSONAL EXEMPTIONS WILL REMAIN AT THE EXISTING LEVEL OF $750. THE REVENUE ESTIMATION IS TO BE MADE USEING THE 1975 TAX MODEL HALF-SAMPLE PROJECTED TO 1978 LEVELS AT 1978 LAW.

8.3.1.2. INPUT ELEMENT FOR THE EXAMPLE PROPOSAL.

```
@ELT,IDN TPFS.TMDATA,,ENDL
   1    3    0       XXXX
   1    3    1TAXPAYER EXEMPTIONS
   1    3    2TAXPAYER EXEMPTIONS OF $1,000
   1    3    3
@END ENDL
@XQT PFX.COVERP
19781978
@ADD TMDATA
@ELT,IDL TPFS.CSLIST,,ENDL
@PACK PFX.
@PREP PFX.
@ADD PFX.XQT78
 $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978, $END
   1    1    0          0              1
@ADD TMDATA
TITLEX 1978 LAW AT 1978 LEVELS
TITLEYTAXPAYERS EXEMPTIONS OF $1000
 $CHANGE NEWX=0, NEWY=1, NEWZ=0, $END
 $PLNY EY(1)=1000., $END
@END ENDL
```

```
@ADD CSLIST
@ASG,AX STORE*ESTIMATES.
@ELT,IDN STORE*ESTIMATES.RUNXXXX,,FIN
@ADD,D 14.
@END FIN
@XGT PFX.UPDATE
@ADD STORE*ESTIMATES.RUNXXXX
@ELT,IDN STORE*ESTIMATES.DIRECTORY,,FIN
@ADD,D 16.
@END FIN
@FREE STORE*ESTIMATES.
```

8.3.2. EXAMPLE 2.

8.3.2.1. STATEMENT OF THE PROPOSAL.

AN ALTERNATIVE TAX LIBERALIZATION PROPOSAL IS DESIGNED TO ALLOW EACH TAXPAYER TO CHOOSE ONE OF TWO PROVISIONS. THE FIRST PROVISION RAISES ALL PERSONAL EXEMPTIONS FROM $750 PER EXEMPTION TO $825 PER EXEMPTION. THE SECOND PROVISION REPLACES ALL PERSONAL EXEMPTIONS WITH AN EXEMPTION TAX CREDIT OF $190 PER EXEMPTION. THE TAXPAYER MAY ELECT THE PROVISION WHICH YIELDS THE LOWEST TAX LIABILITY.

IN THIS EXAMPLE, THERE ARE THREE TAX PLANS: PLAN X = PRESENT LAW, PLAN Y = $825 PERSONAL EXEMPTIONS, AND PLAN Z = $190 EXEMPTION TAX CREDITS. THE INPUT CONTROL STREAM FOR THIS SIMULATION USING THE 1975 TAX MODEL HALF-SAMPLE PROJECTED TO 1978 LEVELS AT 1978 LAW IS PRESENTED BELOW.

8.3.2.2. INPUT ELEMENT FOR THE EXAMPLE PROPOSAL.

```
#ELT,IDN TPFS.TMDATA,,ENDL
   1   3   0       XXXX
   1   3   1PER. EXEMPT. & CREDIT
   1   3   2PERSONAL EXEMPTIONS OF $825 CR
   1   3   3EXEMPTION CREDIT OF $190
#END ENDL
#XQT PFX.COVERP
19781978
#ADD TMDATA
#ELT,IDL TPFS.CSLIST,,ENDL
#PACK PFX.
#PREP PFX.
#ADD PFX.XQT78
 $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978, $END
   1   1   0          0              1
#ADD TMDATA
TITLEX 1978 LAW AT 1978 LEVELS
TITLEYPER. EXEMPT. = $825, PLAN Z = $190 EXEMPT.
 $CHANGE NEWX=0, NEWY=1, NEWZ=1, $END
 $PLNY EY(1)=825.,825.,825.,825., $END
 $PLNZ EZ(1)=0.,0.,0.,0., EZCR=190.,190.,190.,190., $END
```

```
@END ENDL
@ADD CSLIST
@ASG,AX STORE*ESTIMATES.
@ELT,IDN STORE*ESTIMATES.RUNXXXX,,FIN
@ADD,D 14.
@END FIN
@XQT PFX.UPDATE
@ADD STORE*ESTIMATES.RUNXXXX
@ELT,IDN STORE*ESTIMATES.DIRECTORY,,FIN
@ADD,D 16.
@END FIN
@FREE STORE*ESTIMATES.
```

8.3.3. EXAMPLE 3.

8.3.3.1. STATEMENT OF THE PROPOSAL.

STILL ANOTHER TAX LIBERALIZATION PROPOSAL MIGHT CONSIST OF (A) RAISING THE MINIMUM STANDARD DEDUCTION TO $3,500, (B) RAISING THE MAXIMUM STANDARD DEDUCTION TO $4,500, AND (C) ALLOWING A PERCENTAGE STANDARD DEDUCTION OF 20%. IN ADDITION TO TABLES 1A AND 5, SUPPOSE THAT TABLE 4, CREDITS AND DEDUCTIONS, IS ALSO DESIRED. THIS PROPOSAL IS TO BE COMPARED AGAINST >PRESENT LAW> AT 1978 LEVELS.

8.3.3.2. INPUT ELEMENT FOR THE EXAMPLE PROPOSAL.

```
@ELT,IDN TPF$.TMDATA,,ENDL
   1   3   0       XXXX
   1   3   1MIN SD, MAX SD & PSD
   1   3   2MINIMUM SD=$3500, MAXIMUM SD=$4500
   1   3   3PERCENTAGE SD=20%
@END ENDL
@XQT PFX.COVERP
19781978
@ADD TMDATA
@ELT,IDL TPF$.CSLIST,,ENDL
@PACK  PFX.
@PREP  PFX.
@ADD PFX.XQT78
 $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978, $END
   1   1   0          0       1       1
   1   1   6111111111111
@ADD TMDATA
TITLEX 1978 LAW AT 1978 LEVELS
TITLEYMIN SD=$3500, MAX SD=$4500, PSD=20%
 $CHANGE NEWX=0, NEWY=1, NEWZ=0, $END
 $PLNY
  DMY(10,3,1)=3500., DMY(10,3,2)=3500., DMY(10,3,3)=3500.,
  DMY(10,2,1)=20., DMY(10,2,2)=20., DMY(10,2,3)=20.,
  DMY(10,5,1)=4500., DMY(10,5,2)=4500., DMY(10,5,3)=4500.,
$END
@END ENDL
@ADD CSLIST
```

```
@ASG,AX STORE*ESTIMATES.
@ELT,IDN STORE*ESTIMATES.RUNXXXX,,FIN
@ADD,D 14.
@END FIN
@XGT PFX.UPDATE
@ADD STORE*ESTIMATES.RUNXXXX
@ELT,IDN STORE*ESTIMATES.DIRECTORY,,FIN
@ADD,D 16.
@END FIN
@FREE STORE*ESTIMATES.
```

8.4. EXAMPLE RUNS EMPLOYING PROGRAM MODIFICATIONS.

8.4.1. EXAMPLE 4.

8.4.1.1. STATEMENT OF THE PROPOSAL.

CONIDERATION IS BEING GIVEN TO USING ONE TAX RATE SCHEDULE FOR ALL TAXPAYERS REGARDLESS OF MARITAL STATUS. IT IS PROPOSED THAT THE 'MARRIED FILING JOINT RETURN' TAX RATE SCHEDULE BE USED BY ALL TAXPAYERS. THE INPUT CONTROL STREAM BELOW ILLUSTRATES THE PROGRAM MODIFICATIONS FOR THIS TAX PROPOSAL COMPARED AGAINST PRESENT LAW AT 1978 LEVELS AND LAW.

8.4.1.2. INPUT ELEMENT FOR THE EXAMPLE PROPOSAL.

```
@ELT,IDN TPFS.TMDATA,,ENDL
   1   3   0       XXXX
   1   3   1JOINT RATES
   1   3   2ALL SCHEDULES TAXED AT JOINT RATES
   1   3   3
@END ENDL
@XQT PFX.COVERP
19781978
@ADD TMDATA
@ELT,IDL TPFS.CSLIST,,ENDL
@FOR,S PFX.MAIN2,.MAIN2
-46,52
       SAVE=JS
       JS=2
-58
       JS=SAVE
@PACK  PFX.
@PREP  PFX.
@ADD PFX.XQT78
 $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978, $END
   1   1   0          0              1
@ADD TMDATA
TITLEX 1978 LAW AT 1978 LEVELS
```

```
TITLEYEVERYONE USES JOINT RATE SCHEDULES
 $CHANGE NEWX=0, NEWY=0, NEWZ=0, $END
@END ENDL
@ADD CSLIST
@ASG,AX STORE*ESTIMATES.
@ELT,IDN STORE*ESTIMATES.RUNXXXX,,FIN
@ADD,D 14.
@END FIN
@XQT PFX.UPDATE
@ADD STORE*ESTIMATES.RUNXXXX
@ELT,IDN STORE*ESTIMATES.DIRECTORY,,FIN
@ADD,D 16.
@END FIN
@FREE STORE*ESTIMATES.
```

8.4.2. EXAMPLE 5.

8.4.2.1. STATEMENT OF THE PROPOSAL.

A SENATOR HAS PROPOED THAT THE GENERAL SALES TAX DEDUCTION BE MOVED ABOVE THE LINE, THAT IS, THE GENERAL SALES TAX BECOMES AN ADJUSTMENT TO GROSS INCOME INSTEAD OF A DEDUCTION FROM ADJUTED GROSS INCOME. THIS PROPOSAL IS TO BE COMPAREC WITH PRESENT LAW AT 1978 LEVELS. THE PROGRAM MODIFICATIONS FOR THIS REFORM ARE ILLUSTRATED BELOW.

8.4.2.2. INPUT ELEMENT FOR THE EXAMPLE PROPOSAL.

```
@ELT,IDN TPF$.TMDATA,,ENDL
   1   3   0       XXXX
   1   3   1GENERAL SALES TAX
   1   3   2MOVE GENERAL SALES TAX ABOVE THE LINE
   1   3   3
@END ENDL
@XQT PFX.COVERP
19781978
@ADD TMDATA
@ELT,IDL TPF$.CSLIST,,ENDL
@FOR,S PFX.MAIN2,.MAIN2
-46,52
       RESID=RESID-D(106)
       DN3=AMAX1(0.0,DN3-D(106))
@PACK  PFX.
@PREP  PFX.
@ADD PFX.XQT78
 $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978,  $END
   1   1   0          0              1
@ADD TMDATA
TITLEX 1978 LAW AT 1978 LEVELS
TITLEYMOVE GENERAL SALES TAX ABOVE THE LINE
 $CHANGE NEWX=0, NEWY=0, NEWZ=0, $END
@END ENDL
@ADD CSLIST
@ASG,AX STORE*ESTIMATES.
@ELT,IDN STORE*ESTIMATES.RUNXXXX,,FIN
@ADD,D 14.
```

```
@END FIN
@XQT PFX.UPDATE
@ADD STORE*ESTIMATES.RUNXXXX
@ELT,IDN STORE*ESTIMATES.DIRECTORY,,FIN
@ADD,D 16.
@END FIN
@FREE STORE*ESTIMATES.
```

8.4.3. EXAMPLE 6.

8.4.3.1. STATEMENT OF THE PROPOSAL.

A RESEARCHER WISHES TO INVESTIGATE THE MAXIMUM TAX ON EARNED INCOME. IN PARTICULAR, HE WOULD LIKE TO KNOW HOW MANY RETURNS WHICH DO NOT QUALIFY FOR THE MAXIMUM TAX ON EARNED INCOME UNDER THE PRESENT LAW, WOULD ELECT THE SAVINGS OF THE MAXIMUM TAX ON EARNED INCOME IF THE PREFERENCE OFFSET WAS REPEALED. THE RESEARCHER WOULD ALSO LIKE TO KNOW HOW MUCH REVENUE WOULD BE LOST AT 1978 LEVELS. THIS INPUT CONTROL STREAM APPEARS BELOW.

8.4.3.2. INPUT ELEMENT FOR THE EXAMPLE PROPOSAL.

```
@ELT,IDN TPFS.TMDATA,,ENDL
   1    3    0        XXXX
   1    3    1MAXIMUM TAX
   1    3    2REPEAL PREFERENCE OFFSET FOR THOSE WHO
   1    3    3HAD NO MAXIMUM TAX
@END ENDL
@XQT PFX.COVERP
19781978
@ADD TMDATA
@ELT,IDL TPFS.CSLIST,,ENDL
@FOR,S PFX.MAIN2,.MAIN2
-52
        IF(DATAX .LT. 1.0)GO TO 10
@FOR,S PFX.TXCALC,.TXCALC
-11
        DATA=0.0
-196,196
        IF(NPLAN .EQ. 2)ETI=AMAX1(0.,TINC*RATIO)
-311
        IF(MAXTAX .LE. 0.0)DATA=1.0
@PACK  PFX.
@PREP  PFX.
@ADD PFX.XQT78
 $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978, $END
   1    1    0                        1 1
@ADD TMDATA
TITLEX 1978 LAW AT 1978 LEVELS
```

```
TITLEYREPEAL PREFERENCE OFFSET
 $CHANGE NEWX=0, NEWY=0, NEWZ=0, $END
@END ENDL
@ADD CSLIST
@ASG,AX STORE*ESTIMATES.
@ELT,IDN STORE*ESTIMATES.RUNXXXX,,FIN
@ADD,D 14.
@END FIN
@XGT PFX.UPDATE
@ADD STORE*ESTIMATES.RUNXXXX
@ELT,IDN STORE*ESTIMATES.DIRECTORY,,FIN
@ADD,D 16.
@END FIN
@FREE STORE*ESTIMATES.
```

8.5. PRINTOUT OF INDIVIDUAL RETURNS.

8.5.1. PURPOSE.

SUBROUTINE SHOREC WAS DESIGNED TO ALLOW THE USER OF THE TAX MODEL PROGRAM THE CAPABILITY OF PRINTING ALL THE DATA ASSOCIATED WITH AN INDIVIDUAL TAX RETURN. EACH DATA ITEM IN THE BASIC FILE IS PRINTED AND FOLLOWED BY AN ALPHANUMERIC DESCRIPTION. EACH DATA ITEM REQUESTED FROM THE 'OUTLIERS' FILE IS ALSO PRINTED AND FOLLOWED BY AN ALPHANUMERIC DESCRIPTION.

8.5.2. USER PROCEDURE.

8.5.2.1. ENTRY.

SUBROUTINE SHOREC IS ACCESSED VIA THE FOLLOWING CALL STATEMENT:

```
CALL SHOREC(LABEL,M,D,MM,NMAPD,NMAPM,MAPD,MAPM)
```

		DESCRIPTION
WHERE	LABEL	IS AN ARRAY CONTAINNING THE ALPHANUMBERIC DESCRIPTION FOR EACH DATA ITEM.
	M	IS THE BEGINNING ADDRESS OF THE INTEGER PORTION OF THE DATA RECORD.
	D	IS THE BEGINNING ADDRESS OF THE REAL PORTION OF THE DATA RECORD.
	MM	IS THE BEGINNING ADDRESS OF THE LAST INTEGER PORTION OF THE DATA RECORD.
	NMAPD	IS THE NUMBER OF ADDITIONAL VARIABLES REQUIRED FROM THE REAL PORTION OF THE 'OUTLIERS' FILE.
	NMAPM	IS THE NUMBER OF ADDITIONAL VARIABLES REQUIRED FROM THE INTEGER PORTION OF THE 'OUTLIERS' FILE.

MAPD IS THE SUBSCRIPTS FOR THE ADDITIONAL VARIABLES REQUIRED FROM THE REAL PORTION OF THE 'OUTLIERS' FILE.

MAPM IS THE SUBSCRIPTS FOR THE ADDITIONAL VARIABLES REQUIRED FROM THE INTEGER PORTION OF THE 'OUTLIERS' FILE.

8.5.3. EXAMPLE RUN.

8.5.3.1. STATEMENT OF EXAMPLE PROBLEM.

SUPPOSE THAT A RESEARCHER WANTS TO INVESTIGATE SOME SPECIFIC TAX RETURNS WHERE EACH RETURN'S ADJUSTED GROSS INCOME IS LESS THAN OR EQUAL TO $3,000. FURTHERMORE, HE HAS INDICATED THAT 5 RETURNS OF THIS TYPE WILL BE SUFFICIENT FOR HIS NEEDS. A PRINTOUT OF ALL THE ITEMS ON EACH OF THE 5 RETURNS IS ACCOMPLISHED WITH THE INPUT CONTROL STREAM SHOWN BELOW.

8.5.3.2. INPUT ELEMENT FOR THE EXAMPLE PROBLEM.

```
@ELT,IDN TPFS.TMDATA,,ENDL
   1    3    0        XXXX
   1    3    1DATA PRINTOUT
   1    3    2PRINTOUT INPUT DATA FOR 5 RETURNS
   1    3    3WITH AGI LE TO $3,000
@END ENDL
@XGT PFX.COVERP
19781978
@ADD TMDATA
@ELT,IDL TPFS.CSLIST,,ENDL
@FOR,S PFX.MAIN2,.MAIN2
-10
      ICT4=0
-52
      IF(AGIY .GT. 3000.0)GO TO 300
      ICT4=ICT4+1
      IF(ICT4 .GT. 5)GO TO 300
      CALL SHOREC(LABEL,M,D,MM,NMAPD,NMAPM,MAPD,MAPM)
```

```
@PACK  PFX.
@PREP  PFX.
@ADD PFX.XGT78
 $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978, $END
   1    1    0       1
TITLEX 1978 LAW AT 1978 LEVELS
TITLEY PLAN X
 $CHANGE NEWX=0, NEWY=0, NEWZ=0, $END
@END ENDL
@ADD CSLIST
```

8.6. BURDEN TABLES.

8.6.1. PURPOSE.

SUBROUTINES BURSET AND BURTAB ALLOW THE USER TO EXAMINE THE IMPACT OF A TAX PROPOSAL UNDER SPECIFIC ASSUMPTIONS WITH RESPECT TO MARITAL STATUS, NUMBER OF DEPENDENTS, ITEMIZED DEDUCTIONS, AND THE LEVEL OF ADJUSTED GROSS INCOME. IN OTHER WORDS, SUBROUTINE BURSET CREATES-- ONE AT A TIME-HYPOTHETICAL INDIVIDUAL INCOME TAX RETURNS THAT HAVE SPECIFIC CHARACTERISTICS.

8.6.2. USER PROCEDURE.

8.6.2.1. ENTRY.

BURDEN TABLES ARE PRODUCED BY SETTING LOGIC SWITCH NUMBER 19 EQUAL TO A 1 OR A 2. IF A 1 IS SELECTED, THE PRE-SET OPTIONS PRESENTED IN TABLE 8.6.1 WILL BE EMPLOYED.

TABLE 8.6.1 PRE-SET OPTIONS FOR THE BURDEN TABLE OUTPUT

VARIABLE	DESCRIPTION
MIA	MAXIMUM NUMBER OF HYPOTHETICAL AGI'S ASSUMED FOR THIS PARTICULAR BURDEN TABLE OUTPUT. DEFAULT = 20, MAXIMUM = 30.
HAGI	HYPOTHETICAL AGI'S ASSUMED FOR THIS PARTICULAR BURDEN TABLE OUTPUT. DEFAULT (IN 000'S $) = 4,5,6,7,8,9,10,11, 12.5,13,14,15,17.5,20, 25,30,35,40,50,100
MID	MAXIMUM NUMBER OF PERCENTAGES TO BE USED IN ASSUMING THE AMOUNT OF ITEMIZED DEDUCTIONS AS A PERCENT OF AGI IN THIS PARTICULAR BURDEN TABLE OUTPUT. DEFAULT = 4, MAXIMUM = 6.
HDED	HYPOTHETICAL PERCENTAGES OF AGI ASSUMED TO BE ITEMIZED DEDUCTIONS FOR THIS PARTICULAR BURDEN TABLE OUTPUT. DEFAULT (IN PERCENT) = 0,16,20,25
MIE	MAXIMUM NUMBER OF DEPENDENT EXEMPTIONS TO BE ASSUMED FOR THIS PARTICULAR BURDEN TABLE OUTPUT. DEFAULT = 4, MAXIMUM = NO LIMIT.

IF THE USER ELECTS THE 2 OPTION FOR LOGIC SWITCH NUMBER 19, THEN THE DATA CARD DESCRIBED IN SECTION 8.6.3 MUST BE SUPPLIED.

8.6.2.2. RESTRICTIONS.

THERE ARE NO RESTRICTIONS OTHER THAN THOSE SPECIFIED IN TABLE 8.6.1.

8.6.2.3. SPECIAL CONSIDERATIONNS.

THE USER SHOULD BE WARNED THAT TAX MODEL RUNS WHICH PRODUCE CORRECT REVENUE ESTIMATES DO NOT ALWAYS PRODUCE CORRECT BURDEN TABLES. THIS IS DUE TO THE WAY IN WHICH PLAN Y IS PROGRAMMED IN RELATION TO PLAN X.

8.6.3. INPUT DATA.

WHEN LOGIC SWITCH 19 IS SET EQUAL TO 2, A $BURDEN DATA CARD IS REQUIRED IMMEDIATELY FOLLOWING THE 3 99 1 CARD. THE DATA CARD SHOULD CONTAIN $BURDEN BEGINNING IN COLUMN 2 AND ANY OF THE VARIABLES FROM TABLE 8.6.1 THAT ARE TO BE MODIFIED OR REPLACED. AN EXAMPLE IS PROVIDED IN SUBSECTION 8.6.4.

8.6.4. EXAMPLE RUN.

8.6.4.1. STATEMENT OF EXAMPLE PROBLEM.

A RESEARCHER WANTS TO EXAMINE THE IMPACT OF THE TAX PROPOSAL IN EXAMPLE 3 FROM SUBSECTION 8.3.3 IN MORE DETAIL. IN PARTICULAR, HE WANTS TO EXAMINE SPECIFIC SITUATIONS UNDER VARYING ASSUMPTIONS WITH RESPECT TO MARITAL STATUS, NUMBER OF DEPENDENTS, ITEMIZED DEDUCTIONS, AND THE LEVEL OF ADJUSTED GROSS INCOME. IN ADDITION, THE USER WANTS TO REPLACE THE 12,500 AGI WITH A 12,000 AGI AND APPEND A 50,000 AGI. FURTHERMORE, THE USER DOES NOT REQUIRE THE 20% OF AGI ITEMIZED DEDUCTIONS OR MORE THAN 3 DEPENDENT EXEMPTIONS. THIS CAN BE PROVIDED USING THE INPUT CONTROL STREAM OF SUBSECTION 8.3.3 MODIFIED TO PRODUCE BURDEN TABLES AS SHOWN IN THE SUBSECTION BELOW.

8.6.4.2. INPUT ELEMENT FOR THE EXAMPLE PROBLEM.

```
*ELT,IDN TPFS.TMDATA,,ENDL
   1   3   0       1234
   1   3   1BURDEN TABLES
   1   3   2MINIMUM SD=$3500, MAXIMUM SD=$4500
```

```
    1  - 3   3PERCENTAGE SD=20%
@END ENDL
@XQT PFX.COVERP
19781978
@ADD TMDATA
@ELT,IDL TPFS.CSLIST,,ENDL
@PACK  PFX.
@PREP  PFX.
@ADD PFX.XQT78
 $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978, $END
    1    1    0                        2
TITLEX 1978 LAW AT 1978 LEVELS
TITLEYMIN SD=$3500, MAX SD=$4500, PSD=20%
 $CHANGE NEWX=0, NEWY=1, NEWZ=0, $END
 $PLNY
  DMY(10,3,1)=3500., DMY(10,3,2)=3500., DMY(10,3,3)=3500.,
  DMY(10,2,1)=20., DMY(10,2,2)=20., DMY(10,2,3)=20.,
  DMY(10,5,1)=4500., DMY(10,5,2)=4500., DMY(10,5,3)=4500.,
 $END
 $BURDEN MIA=21, HAGI(11)=14.5, HAGI(21)=500.,
  MID=3, MIE=3, $END
@END ENDL
@ADD CSLIST
```

8.7. SPECIAL TABULATIONS.

8.7.1. PURPOSE.

SUBROUTINE TABOUT/VER3 WAS DESIGNED TO SIMPLIFY THE PREPARATION OF TAX MODEL RUNS REQUIRING SPECIAL TABULATIONS NOT COVERED BY THE STANDARD TAX MODEL TABLES. ITS USE, THEREFORE, IS SPECIFIC TO THE TAX MODEL BUT IT CAN BE USED IN SIMILAR SITUATIONS OUTSIDE OF THE TAX MODEL PROGRAM. TABOUT/VER3 WILL PERFORM THE FOLLOWING FUNCTIONS:

(A) IT WILL OUTPUT A TWO DIMENSIONAL ARRAY OF ANY SIZE IN TABULAR FORM.

(B) IT WILL PROVIDE UP TO FIVE LINES OF TITLE CENTERED ABOVE THE TABLE.

(C) IT WILL PROVIDE UP TO 100 COLUMNS OF CENTERED COLUMN HEADINGS.

8.7.2. USER PROCEDURE.

8.7.2.1. ENTRY.

SUBROUTINE TABOUT/VER3, OF COURSE, DOES NOT PERFORM THE ACTUAL TABULATION BUT ONLY OUTPUTS THE RESULTS OF THE TABULATION. ONCE THE TABULATION HAS BEEN COMPLETED, THE USER MAY HAVE IT OUTPUTED VIA THE FOLLOWING CALL:

```
CALL TABOUT(X,NR,NC,LHSTUB,ISCALE)
```

DESCRIPTION

WHERE X — IS A TWO DIMENSIONAL REAL ARRAY CONTAINNING THE RESULTS OF THE TABULATION. THE FIRST SUBSCRIPT OF X CORRESPONDS TO ROWS AND THE SECOND SUBSCRIPT OF X CORRESPONDS TO COLUMNS.

NR — IS THE NUMBER OF ROWS IN THE TABLE.

NC — IS THE NUMBER OF COLUMNS IN THE TABLE.

LHSTUB IS AN ARRAY OF SIZE NR WHICH CONTAINS THE INTERVALS TO BE USED AS THE LEFT HAND STUBS IN THE CONSTRUCTION OF THE TABLE.

ISCALE IS AN ARRAY OF SIZE NC WHICH CONTAINS A CODE FOR THE SCALE FACTOR TO BE APPLIED TO EACH COLUMN OF THE TABLE. THE CODES ARE:
1 = NO SCALE FACTOR.
2 = DIVIDE BY 1,000.
3 = DIVIDE BY 1,000,000.

8.7.2.2. RESTRICTIONS.

IT IS ASSUMED THAT EACH ROW OF THE ARRAY X CORRESPONDS TO ONE INTERVAL OVER A CONTINUOUS RANGE OF CLASSES, I.E. AGI CLASSES, TAX SIZE CLASSES, ETC. FURTHERMORE, IT IS ASSUMED THAT THERE ARE NR-1 SUCH INTERVALS AND THAT THE NR-TH INTERVAL CONTAINS THE TOTAL OF ALL INTERVALS FOR EACH COLUMN.

8.7.2.3. SPECIAL CONSIDERATIONS.

EACH CALL TO SUBROUTINE TABOUT REQUIRES DATA CARDS FOR THE TITLE AND COLUMN HEADINGS INFORMATION. THIS IS DESCRIBED IN THE NEXT SECTION.

8.7.2.4. OTHER SUBPROGRAMS REQUIRED.

SUBROUTINE HEAD/VER3. SUBROUTINE CENTER/VER3. FUNCTION NERROR/VER3.

8.7.2.5. ERROR RETURNS.

IF ERRORS ARE ENCOUNTERED DURING THE EXECUTION OF SUBROUTINE TABOUT/VER3, THE FUNCTION NERROR WILL ATTEMPT TO PROVIDE DIAGNOSTIC PRINTOUT FOR A SHORT DURATION. IF THE ERROR FUNCTION IS SUCCESSFUL IN PROVIDING DIAGNOSTIC PRINTOUT, IT WILL EXIT AND CONTINUE WITH THE NEXT CALL TO TABOUT AS IF NO PROBLEMS WERE EVER ENCOUNTERED.

8.7.3. INPUT DATA.

8.7.3.1. TITLE CARDS.

EACH CALL TO SUBROUTINE TABOUT/VER3 WILL CALL SUBROUTINE HEAD WHICH WILL EXPECT TITLE CARDS. THE USER MUST SUPPLY AT LEAST ONE TITLE CARD AND MAY SUPPLY AS MANY AS FIVE TITLE CARDS FOR EACH TABLE. IF MORE THAN 5 TITLE CARDS ARE SUPPLIED, THE PROGRAM WILL SKIP THE REMAINNING TITLE CARDS AND PRINTOUT THE TITLE CARDS IT SKIPPED. COLUMNS 1 - 72 OF A CARD MAY BE USED FOR THE TITLE. THE TITLE NEED NOT BE CENTERED SINCE THE PROGRAM WILL PROVIDE THIS FUNCTION. FOLLOWING THE LAST TITLE CARD FOR A GIVEN TABLE, AN ●EOF CARD IS REQUIRED. FOR EXAMPLE,

```
FIRST LINE OF THE TITLE FOR TABLE 1.
SECOND LINE OF THE TITLE FOR TABLE 1.
THIRD LINE OF THE TITLE FOR TABLE1.
●EOF
```

8.7.3.2. COLUMN HEADING CARDS.

IMMEDIATELY FOLLOWING THE TITLE CARDS, THE USER MUST SUPPLY COLUMN HEADING CARDS. THE COLUMN HEADINGS ARE TYPED ON A DATA CARD BEGINNING IN COLUMN 1 AND MAY CONTINUE ON TO ADDITIONAL DATA CARDS. AT THE END OF EACH COLUMN HEADING, THE USER MUST TYPE A '/' AND CONTINUE IMMEDIATELY WITH THE NEXT COLUMN HEADING UNLESS THE USER WISHES TO TERMINATE THE SCAN OF THAT DATA CARD FOR COLUMN HEADINGS, IN WHICH CASE THE USER ENTERS A '?' IMMEDIATELY AFTER THE '/'. AN EXAMPLE FOLLOWS:

```
COLUMN 1/COLUMN 2/COLUMN 3/COLUMN 4/?
COLUMN 5/COLUMN 6/COLUMN 7/COLUMN 8/COLUMN 9/?
COLUMN 10/COLUMN 12/
```

IF THE PREVIOUS CALL TO TABOUT IN THE SAME RUN HAS ALREADY SUPPLIED COLUMN HEADING CARDS AND THE USER WISHES TO EMPLOY THE THE PREVIOUS COLUMN HEADING CARDS, HE MAY ENTER

```
●EOF
```

IN LIEU OF ENTERING THE SAME COLUMN HEADING CARDS AGAIN.

8.7.4. EXAMPLE RUN.

8.7.4.1. INPUT ELEMENT FOR EXAMPLE RUN.

```
@ELT,IDN TPFS.TMDATA,,ENDL
   1   3   0       XXXX
   1   3   1INTEREST EXPENSE
   1   3   2TABULATION OF INTEREST EXPENSE DEDUCTION IMPUTATION
   1   3   3
@END ENDL
@XQT PFX.COVERP
19781978
@ADD TMDATA
@ELT,IDL TPFS.CSLIST,,ENDL
@FOR,S PFX.MAIN2,.MAIN2
-6
      DIMENSION X(10,5),ISC(5)
-9
      DATA X/50*0.0/
      DATA ISC/5*3/
-52
      IF(IDEDX .NE. 1)GO TO 10
      CON=AMIN1(DN(2)-D(62),5.0*D(63))
      VIN=0.90*(DN(2)-D(62)-CON)
      OTH=AMAX1(0.0,DN(2)-D(62)-CON-VIN)
      JY=INDEX(AGIX,AGI,10,1.0)
      X(JY,1)=X(JY,1)+D(62)*WT
      X(JY,2)=X(JY,2)+CON*WT
      X(JY,3)=X(JY,3)+VIN*WT
      X(JY,4)=X(JY,4)+OTH*WT
      X(JY,5)=X(JY,5)+DN(2)*WT
      GO TO 10
-109
      DO 98 J=1,5
      DO 98 I=1,9
      X(10,J)=X(10,J)+X(I,J)
   98 CONTINUE
      CALL TABOUT(X,10,5,AGI,ISC)
      CALL EXIT
@PACK  PFX.
@PREP  PFX.
@ADD PFX.XQT78
 $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978, $END
   1   1   0          4             0
TITLEX 1978 LAW AT 1978 LEVELS
```

```
TITLEYTABULATION OF INTERET EXPENSE IMPUTATION
 $CHANGE NEWX=0, NEWY=0, NEWZ=0, $END
TABULATION OF INTEREST EXPENSE DEDUCTION IMPUTATICN
(FIGURES IN MILLIONS OF DOLLARS)
#EOF
HOME MORTGAGE INTEREST/CONSUMER INTEREST/INVESTMNT INTEREST/?
OTHER INTEREST/TOTAL INTEREST/
#END ENDL
#ADD CSLIST
```

8.7.4.2. OUTPUT FOR EXAMPLE RUN.

THE OUTPUT FOR THE EXAMPLE RUN ABOVE WOULD HAVE THE FOLLOWING GENERAL FORM.

TABULATION OF INTEREST EXPENSE DEDUCTION IMPUTATION
(FIGURES IN MILLIONS OF DOLLARS)

	HOME MORTGAGE INTEREST	CONSUMER INTEREST	INVESTMNT INTEREST	OTHER INTEREST
$ ******* - $ 0.				
$ 0. - $ 5000.				
$ 5000. - $ 10000.				
$ 10000. - $ 15000.				
$ 15000. - $ 20000.				
$ 20000. - $ 30000.				
$ 30000. - $ 50000.				
$ 50000. - $ 100000.				
$ 100000. - $********				
	---	---	---	---
TOTAL				

	TOTAL INTEREST
$ ******* - $ 0.	
$ 0. - $ 5000.	
$ 5000. - $ 10000.	
$ 10000. - $ 15000.	
$ 15000. - $ 20000.	
$ 20000. - $ 30000.	
$ 30000. - $ 50000.	
$ 50000. - $ 100000.	
$ 100000. - $********	

TOTAL	

8.8. FILING UNIT SIZE TABULATIONS.

8.8.1. PURPOSE

SUBROUTINE FUSIZE WAS DESIGNED TO PROVIDE TABULATIONS BY FILING UNIT SIZE AND ALL FILING UNIT SIZES OF THE DISTRIBUTION OF EXPANDED INCOME AND RETURNS AND TAX LIABILITY FOR PLAN X AND PLAN Y. IN ADDITION, FUSIZE ALSO PROVIDES THE PERCENTAGE DISTRIBUTION OF RETURNS AND TAX LIABILITY FOR EACH OF THE TAX PLANS.

8.8.2. USER PROCEDURE

8.8.2.1. ENTRY

SUBROUTINE FUSIZE PERFORMS THE ACTUAL TABULATIONS AS WELL AS THE OUTPUT OF THE COMPLETED TABLES. CONSEQUENTLY, FUSIZE MUST BE CALLED FOR EACH RETURN FOLLOWING THE CALCULATION OF PLAN Y AND ONCE AGAIN AFTER ALL RETURNS HAVE BEEN PROCESSED. THE CALL IS AS FOLLOWS:

```
CALL FUSIZE(FLAG,EYB,CEYB)

WHERE  FLAG IS AN INTEGER FLAG THAT MUST--
            =0 WHEN TAX RETURNS ARE BEING PROCESSED
            =1 WHEN ALL RETURNS HAVE BEEN PROCESSED

       EYB  IS EXPANDED INCOME OR ANY OTHER INCOME CONCEPT
            FOR CLASSIFICATION PURPOSES

       CEYB IS USUALLY EXPANDED INCOME. HOWEVER, THIS
            MAY BE ANY OTHER VARIABLE THAT THE USER
            WANTS TO TABULATE.
```

8.8.2.2. RESTRICTIONS

FUSIZE PROVIDES A BREAKDOWN BY FILING UNIT SIZE FOR SINGLE PERSONS, MARRIED PERSONS, MARRIED PERSONS WITH 1,2,3,4 AND 5 OR MORE DEPENDENTS, HEAD-OF-HOUSEHOLD AND ALL FILING UNIT SIZES.

8.8.2.3. SPECIAL CONSIDERATIONS.

NONE.

8.8.2.4. OTHER SUBPROGRAMS REQUIRED.

SUBROUTINE 'INDEX'.

8.8.2.5. ERROR ROUTINES.

NONE

8.8.3. INPUT DATA.

NONE.

8.8.4. EXAMPLE RUN.

8.8.4.1. INPUT ELEMENT FOR EXAMPLE RUN.

```
*ELT,IDN TPFS.TMDATA,,ENDL
   1   3   0       XXXX
   1   3   1EXAMPLE OF FUSIZE
   1   3   2DISTRIBUTION OF PLANX & PLANY TAX BY
   1   3   3FILING UNIT SIZE
*END ENDL
*XQT PFX.COVERP
19781978
*ADD TMDATA
```

```
@ELT,IDL TPFS.CSLIST,,ENDL
@FOR,S PFX.MAIN2,.MAIN2
-58
      CALL FUSIZE(0,EYB,EYB)
-109
      CALL FUSIZE(1,EYB,EYB)
@PACK PFX.
@PREP PFX.
@ADD PFX.XQT78
 $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978, $END
   1    1    0          0              1
@ADD TMDATA
TITLEX 1978 LAW AT 1978 LEVELS
TITLEYEXAMPLE OF FUSIZE
 $CHANGE NEWX=0, NEWY=0, NEWZ=0, $END
@END ENDL
@ADD CSLIST
@ASG,AX STORE*ESTIMATES.
@ELT,IDN STORE*ESTIMATES.RUNXXXX,,FIN
@ADD,D 14.
@END FIN
@XQT PFX.UPDATE
@ADD STORE*ESTIMATES.RUNXXXX
@ELT,IDN STORE*ESTIMATES.DIRECTORY,,FIN
@ADD,D 16.
@END FIN
@FREE STORE*ESTIMATES.
```

8.8.4.2. OUTPUT FOR THE EXAMPLE RUN.

THE OUTPUT FOR THE EXAMPLE RUN IS TOO LARGE TO BE REPRODUCED HERE. HOWEVER, THE FOLLOWING ITEMS ARE TABULATED FOR EACH FILING UNIT SIZE.

COLUMN	ITEM
1	CEYB
2	PLANX, RETURNS
3	PLANX, % DISTRIBUTION OF RETURNS
4	PLANX, TAXAX
5	PLANX, % DISTRIBUTION OF TAXAX
6	PLANY, RETURNS
7	PLANY, % DISTRIBUTION OF RETURNS
8	PLANY, TAXAY
9	PLANY, % DISTRIBUTION OF TAXAY

8.9. SUBROUTINE DEBUG.

8.9.1. PURPOSE

THIS SUBPROGRAM IS DESIGNED TO ALLOW THE USER TO ISOLATE DIFFERENCES IN TAX LIABILITY CALCULATED UNDER PLAN X AND UNDER PLAN Y WITHOUT THE WORK INVOLVED IN WRITING A SPECIAL PURPOSE DEBUGGING OUTPUT SUBPROGRAM.

8.9.2. USER PROCEDURE.

8.9.2.1. ENTRY

SUBROUTINE DEBUG MUST BE CALLED TWICE PER TAX RETURN, ONCE FOR THE PLAN X CALCULATION AND ONCE FOR THE PLAN Y CALCULATION. THE FORMAT FOR THE CALL IS--

```
CALL DEBUG(NPLAN)

WHERE NPLAN IS AN INTEGER WHOSE VALUE
            =1 FOR PLAN X
            =2 FOR PLAN Y
```

8.9.2.2. RESTRICTIONS

NONE.

8.9.2.3. SPECIAL CONSIDERATIONS.

SUBROUTINE DEBUG IS DESIGNED TO BE EMPLOYED AFTER THE CALCULATION OF PLAN X AND PLAN Y TAX. IF DEBUG IS CALLED WITHOUT RECALCULATING PLAN X TAX, THE USER MAY FIND THAT SOME OF THE INTERMEDIATE VARIABLES LISTED IN THE OUTPUT CONTAIN VALUES THAT ARE NON-SENSICAL. IN THIS SITUATION, THE NON-SENSICAL VALUES ARE

THE RESULT OF THE LAST PLAN Y CALCULATION FOR THAT VARIABLE(THE LAST CALCULATION MAY NOT HAVE BEEN THE PREVIOUS RETURN). HENCE, THE USER MUST KNOW THE TAX MODEL WELL AND EXERCISE CAUTION WHEN USING SUBROUTINE DEBUG WITHOUT RECALCULATING PLAN X.

8.9.2.4. OTHER SUBPROGRAMS REQUIRED.

NONE.

8.9.2.5. ERROR RETURNS.

NONE.

8.9.3. INPUT DATA.

NONE.

8.9.4. SAMPLE RUN.

8.9.4.1. INPUT ELEMENT FOR EXAMPLE RUN.

SUPPOSE THAT THE USER IS INTERESTED IN EXAMINING THE DIFFERENCE BETWEEN THE PLAN X AND THE PLAN Y TAX ON THE RETURN NUMBER 335. IF THIS IS TO BE DONE AT 1978 LAW AND LEVELS, THE INPUT CONTROL STREAM WOULD APPEAR AS SHOWN BELOW.

```
@ELT,IDN TPFS.TMDATA,,ENDL
   1   3   0       XXXX
   1   3   1EXAMPLE OF DEBUG
   1   3   2CALCULATION OF TAX LIABILITY UNDER PLANX & PLANY
   1   3   3
@END ENDL
@XQT PFX.COVERP
19781978
@ADD TMDATA
@ELT,IDL TPFS.CSLIST,,ENDL
@FOR,S PFX.MAIN2,.MAIN2
-52
      IF(RETNO .EQ. 335)CALL DEBUG(1)
-58
      IF(RETNO .EQ. 335)CALL DEBUG(2)
@PACK PFX.
@PREP PFX.
@ADD PFX.XQT78
 $SAMPLE NYEAR=1975, NRET=50000, NLEV=1978, $END
   1   1   0          0              1
@ADD TMDATA
TITLEX 1978 LAW AT 1978 LEVELS
TITLEYEXAMPLE OF DEBUG
 $CHANGE NEWX=0, NEWY=0, NEWZ=0, $END
@END ENDL
@ADD CSLIST
@ASG,AX STORE*ESTIMATES.
@ELT,IDN STORE*ESTIMATES.RUNXXXX,,FIN
@ADD,D 14.
@END FIN
@XQT PFX.UPDATE
@ADD STORE*ESTIMATES.RUNXXXX
@ELT,IDN STORE*ESTIMATES.DIRECTORY,,FIN
@ADD,D 16.
@END FIN
```

```
@FREE STORE*ESTIMATES.
```

8.9.4.2. OUTPUT FOR EXAMPLE RUN.

RETURN NUMBER.....335

	PLAN X	PLAN Y	CHANGE
NSTGL	.00	.00	.00
NLTGL	.00	.00	.00
NGL	.00	.00	.00
EXLCG	.00	.00	.00
INLCG	.00	.00	.00
CGAGI	.00	.00	.00
RESID	6775.00	6775.00	.00
TAXD	.00	.00	.00
ADJST	.00	.00	.00
AGI	300.00	300.00	.00
EXEM	6475.00	6475.00	.00
IDED	2.00	2.00	.00
D	1900.00	1900.00	.00
TINC	1575.00	1575.00	.00
TAXBS	.00	226.00	.00
MAXTAX....	.00	.00	.00
ALTAX....	.00	.00	.00
AVESAV....	.00	.00	.00
TXSAV	.00	.00	.00
TAXB	226.00	226.00	.00
TXCRD	.00	.00	.00
EMCR	120.00	120.00	.00
CCCR	.00	.00	.00
TTAXA	.00	.00	.00
PREF	.00	.00	.00
MT	.00	.00	.00
EIC	124.00	124.00	.00
TAXA	-124.00	-16.25	.00

9. TAX MODEL DIAGNOSTIC MESSAGES.

THE ERROR CHECKING FEATURE OF THE TAX MODEL PROGRAM HAS BEEN REMOVED EXCEPT FOR CERTAIN CRITICAL SITUATIONS. THE DIAGONISTIC MESSAGES GENERATED IN THESE SITUTATIONS ARE PRESENTED IN TABLE 9.0.

IN ADDITION, SUBROUTINE 'HEAD' CONTAINS AN AUTOMATIC TRACE FEATURE. IF ANY OF THE DESIGN LIMITATIONS OF SUBROUTINE 'HEAD' ARE EXCEEDED, THE PROGRAM WILL PROVIDE A TRACE OF THE KEY VARIABLES OVER THE NEXT FEW ITTERTATIONS. ONCE THE TRACE IS COMPLETE, CONTROL WILL RETURN TO THE CALLING PROGRAM IF POSSIBLE, OTHERWISE THE RUN WILL TERMINATE.

TABLE 9.0: TAX MODEL DIAGNOSTIC MESSAGES

--SUBROUTINE INPUT2--
ERROR SINGLE SCHEDULES ONLY WITH SRATES

--SUBROUTINE MRATES--
NOTE MAXIMUM NUMBER OF CHANGES ACCEPTED

WARNING RATE TABLE IS FULL
PROGRAM IS ABLE TO CONTINUE

--SUBROUTINE SCHED--
TAX SCHEDULE GENERATION; ILLEGAL REQUEST;
SCHEDULE 2 REQUIRES SCHEDULE 1 AND SCHEDULE 3 REQUIRES
SCHEDULES 2 & 3.

TAX SCHEDULE GENERATION; AUTOMATIC GENER. OF SCHED. 3
CREATES TOO MANY BREAKPOINTS; < 49.

--SUBROUTINE HEAD--
TITLE TRUNCATED AT THE END OF THE 5TH LINE
THE FOLLOWING CARDS WERE SKIPPED:

COLUMN HEADINGS TRUNCATED AT THE END OF THE
100 TH COLUMN

10. GLOSSARY OF VARIABLE NAMES IN THE TAX MODEL.

THE TAX MODEL SOURCE PROGRAM CONTAINS OVER 400 VARIABLE NAMES. IN THE GLOSSARY THAT FOLLOWS, EACH VARIABLE NAME IS PRESENTED AS WELL AS A DESCRIPTION OF THE CONTENTS OF THE VARIABLE.

THE USER WILL FIND THAT SOME VARIABLE NAMES APPEAR MORE THAN ONCE IN THE GLOSSARY. THIS MEANS THAT THE VARIABLE IS 'LOCAL' AND THAT ITS' CONTENTS DIFFER AT DIFFERENT POINTS IN THE PROGRAM. WHEN THIS SITUATION OCCURS, THE DESCRIPTION OF THE VARIABLE HAS BEEN EXPANDED TO INCLUDE THE LOCATION OF THE VARIABLE WITHIN THE TAX MODEL PROGRAM. AT THE SPECIFIED LOCATION IN THE TAX MODEL PROGRAM, THE VARIABLE WILL CONTAIN THE DATA GIVEN IN THE DESCRIPTION OF THE VARIABLE. AT ANY OTHER LOCATION OTHER THAN THE SPECIFIED LOCATION, THE VARIABLE MAY CONTAIN SOME OTHER DATA.

SOME OF THE VARIABLE NAMES PRESENTED IN THE GLOSSARY HAVE A SET OF PARENTHESES TO THE RIGHT OF THE VARIABLE NAME. THIS INDICATES THAT THE VARIABLE NAME IS AN ARRAY OF STORAGE LOCATIONS.

FINALLY, SOME VARIABLE NAMES IN THE GLOSSARY CONTAIN AN ASTERISK(*) IN THE SPELLING OF THE NAME. NONE OF THE VARIABLES IN THE TAX MODEL PROGRAM HAVE AN ASTERISK IN THEIR NAME BECAUSE THE ASTERISK IS JUST AN ABBREVIATION DEVICE USED IN THE GLOSSARY. IF A VARIABLE NAME IN THE TAX MODEL PROGRAM CONTAINS AN 'X' WHERE THE ASTERISK APPEARS IN THE GLOSSARY NAME, THEN THE CONTENTS OF THE VARIABLE ARE AS DESCRIBED IN THE GLOSSARY. THE 'X' INDICATES THAT THE DATA STORED IN THE VARIABLE WAS CALCULATED USING THE TAX PARAMETERS FROM THE PLAN X TAX PROPOSAL. THE SAME INTERPRETATION APPLIES WHEN A 'Y' OR A 'Z' APPEARS IN PLACE OF THE ASTERISK. IF THE VARIABLE NAME DOES NOT CONTAIN A 'X', OR 'Y', OR 'Z' IN PLACE OF THE ASTERISK, THEN THE VARIABLE STILL CONTAINS THE DATA DESCRIBED IN THE GLOSSARY. THE ABSENCE OF A 'X', 'Y', OR 'Z' INDICATES THAT THE VARIABLE IS USED IN THE CALCULATION OF ANY OF THE THREE POSSIBLE TAX PLANS.

*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
A( )	WORKING STORAGE (SUB. TAB1, TAB2 AND EXTEND)
A1( )	STORAGE FOR THE EXTENDED RESULTS OF TABLE 1
A2( )	STORAGE FOR THE EXTENDED RESULTS OF TABLE 2
ACGCT	INDICATOR FOR THE PLAN THAT MINIMIZES TAX (1=PLAN Y, 0=PLAN Z)
AD( )	STORAGE FOR THE AGGREGATE SUMMARY BY TYPE OF DEDUCTION (SUB. TAB3 AND TAB4)
ADJEI	ADJUSTMENTS TO GROSS EARNED INCOME IN COMPUTING NET EARNED TAXABLE INCOME.
ADJST	ADJUSTMENTS TO INCOME ALLOWED (1977 - ON)
ADJUST	TOTAL ADJUSTMENTS TO INCOME, REPORTED
ADN*(1)	ALLOWABLE DEDUCTIONS, CONTRIBUTIONS
ADN*(2)	ALLOWABLE DEDUCTIONS, INTEREST EXPENSE
ADN*(3)	ALLOWABLE DEDUCTIONS, TAX EXPENSE
ADN*(4)	ALLOWABLE DEDUCTIONS, MEDICINE AND DRUGS OVER 1 PERCENT AGI
ADN*(5)	ALLOWABLE DEDUCTIONS, MEDICAL AND DENTAL OVER 3 PERCENT AGI
ADN*(6)	ALLOWABLE DEDUCTIONS, MEDICAL INSURANCE PREMIUMS
ADN*(7)	ALLOWABLE DEDUCTIONS, MISCELLANEOUS
ADN*(8)	ALLOWABLE DEDUCTIONS, CASUALTY OR THEFT LOSSES
AGEDE	NUMBER OF AGED EXEMPTIONS
AGI( )	AGI CLASS STUBS FOR INDEXING
AGIH( )	HIGH OPTION AGI CLASS BREAKPOINTS
AGIL( )	LOW OPTION AGI CLASS BREAKPOINTS
AGIO( )	PRE 1975 AGI CALSS BREAKPOINTS
AGITOT	ACCUMULATED TOTALS FOR TABLE 6
AGI*	ADJUSTED GROSS INCOME
ALAB( )	AN ARRAY CONTAINNING THE LABELS FOR THE BURDEN TABLE PRINTOUT (SUB. BURSET)
ALIMNY	ALIMONY PAYMENTS
ALTTAX	TAX SAVINGS FROM THE ALTERNATIVE TREATMENT OF CAPITAL GAINS. ALSO TAX BEFORE CREDITS UNDER THE ALTERNATIVE TREATMENT OF CAPITAL GAINS.
ALWDEC	ALLOWABLE DEDUCTIONS UNDER PLAN Y
ALWEX	ALLOWABLE EXEMPTIONS UNDER PLAN Y
AS( )	STORAGE FOR THE SCHEDULE SUMMARY BY TYPE OF DEDUCTION (SUB. TAB3 AND TAB4)
AOI	INITIAL AMOUNT OF INCOME S.T. THE ELDERLY CREDIT

* =BLANK, ANY PLAN; =X, PLAN X; =Y, PLAN Y; =Z, PLAN Z
N.C.E. = NOT CURRENTLY EMPLOYED

*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
AT3( )	AN ARRAY FOR CONSTRUCTING THE SOURCES OF INCOME FOR TABLE 3 OUTPUT.
AVESAV	TAX SAVINGS FROM INCOME AVERAGING
B( )	WORKING STORAGE (SUB. TAB1 AND EXTEND)
BLNDE	NUMBER OF BLIND EXEMPTIONS
BLNK	BLANK CHARACTER
BLNK	THE LITERAL BLANK (COVERP)
BLOCK	STORAGE LOCATION OF THE INPUT BLOCK
BMIP	BALANCE OF MEDICAL INSURANCE PREMIUMS
BRACK	INPUTTED TAX BRACKET (SUB. MRATES)
C( )	WORKING STORAGE (SUB. TAB1)
C( )	CENTER ARRAY FOR A COLUMN HEADING(SUB. HEAD)
CAFHE	CHILD AWAY FROM HOME EXEMPTIONS.
CAHE	CHILD AT HOME EXEMPTIONS.
CAP*(1)	CAPITAL GAINS, PERCENT EXCLUSION
CAP*(2)	CAPITAL GAINS, MAXIMUM TAX RATE
CAP*(3)	CAPITAL GAINS, MAXIMUM YEARLY LOSS
CAP*(4)	CAPITAL GAINS, LOSS OFFSET CONVENTION
CCCR	CHILD CARE CREDIT
CFTINC	(ADJUSTED) FAMILY TOTAL INCOME.
CGAGI*	CAPITAL GAINS OR LOSSES IN AGI
CGD50	CAPITAL GAINS DISTRIBUTIONS NOT REPORTED ON SCHEDULE D, 1/2 OF THOSE GAINS
CGYA*	AMOUNT OF FULLY SHELTERED CAPITAL GAINS
CHANGE	AGGREGRATE TAX REVENUE CHANGE
CHDG	AN ARRAY CONTAINNING THE COLUMN HEADINGS FOR A SPECIAL TAB (SUB. TABOUT)
CHILDC	CHILD CARE EXPENSE
CHTINC	(ADJUSTED) HOUSEHOLD TOTAL INCOME.
CLIMIT	CAPITAL LOSS LIMITATION, SAME AS CAP(3) EXCEPT FOR MARRIED FILING SEPERATELY WHO MAY HAVE > 0.50*CAP(3) UNDER CERTAIN CONDITIONS.
CONVRT	THE AMOUNT OF LONG TERM GAINS THAT ARE CONVERTED TO SHORT TERM GAINS
CPT	POINTER TO CHARACTER IN EACH GROUP OF 9 9 CHARACTERS (SUB. HEAD)
CR1	ELDERLY CREDIT, TAXPAYER
CR2	ELDERLY CREDIT, SPOUSE
CR3	ELDERLY CREDIT, FOR THE AGED SPOUSE

* =BLANK, ANY PLAN; =X, PLAN X; =Y, PLAN Y; =Z, PLAN Z
N.C.E. = NOT CURRENTLY EMPLOYED

*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
CRDN( )	DATA CARD NUMBER, ACTUAL
CSTUB	COLUMN HEADINGS FOR CLASSIFIER STUBS
CUM	CUMULATIVE PERCENTAGE
D( )	ARRAY CONTAINING THE MAPPEDIN TAX RETURN DATA
D*	TOTAL DEDUCTIONS, EITHER ITEMIZED OR STANDARD
DATA*	A DUMMY STORAGE LOCATION FOR DATA TRANSFER TO SUB. TXCALC
DC*(1)	DIVIDEND CREDIT, ABSOLUTE MAXIMUM
DC*(2)	DIVIDEND CREDIT, AS PERCENT OF DIVIDENDS
DC*(3)	DIVIDEND CREDIT, AS PERCENT OF TAXABLE INCOME
DE*(1)	DIVIDEND EXCLUSION, SCHEDULE 1
DE*(2)	DIVIDEND EXCLUSION, SCHEDULE 2
DE*(3)	DIVIDEND EXCLUSION, SCHEDULE 3
DED*	TOTAL ITEMIZED OR STANDARD DEDUCTIONS
DEDL( )	LABELS FOR PRINTOUT OF THE DEDUCTION MATRIX
DEF( )	ARRAY CONTAINING THE COMPONENTS OF EXPANDED INCOME
DEFMTX	DEFERRED MINIMUM TAX
DELTA	PERCENTAGE CHANGE IN TAXES
DEPNE	NUMBER OF DEPENDENT EXEMPTIONS
DEXCL	DIVIDEND EXCLUSION
DISALW	DEDUCTION FROM MAXIMUM INCOME BASE FOR TAXPAYERS UNDER 62 WHO QUALIFY FOR ELDCR COMPUTATION.
DMFS	FLAG FOR MARRIED FILING SEPERATE (MFS=0.5, OTHERWISE 1.0)
DM*( )	DEDUCTION MATRIX
DN1	DEDUCTIONS CLAIMED, CONTRIBUTIONS
DN2	DEDUCTIONS CLAIMED, INTEREST EXPENSE
DN3	DEDUCTIONS CLAIMED, TAX EXPENSE
DN4	DEDUCTIONS CLAIMED, MEDICINE AND DRUGS + 1 PERCENT AGI
DN5	DEDUCTIONS CLAIMED, MEDICAL AND DENTAL + 3 PERCENT AGI
DN6	DEDUCTIONS CLAIMED, FULL MEDICAL INSURANCE PREMIUM
DN7	DEDUCTIONS CLAIMED, MISCELLANEOUS
DN8	DEDUCTIONS CLAIMED, CASUALTY OR THEFT LOSSES.
DS*	N.C.E.
EARN	GROSS EARNED INCOME
EARNCR	EARNED INCOME, FOR EARNED INCOME CREDIT

* =BLANK, ANY PLAN; =X, PLAN X; =Y, PLAN Y; =Z, PLAN Z
N.C.E. = NOT CURRENTLY EMPLOYED

*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
ECMAX	ELDERLY CREDIT, MAXIMUM.
ECR*(1)	EXEMPTION CREDIT, $ ALLOWANCE, TAXPAYER
ECR*(2)	EXEMPTION CREDIT, $ ALLOWANCE, AGED
ECR*(3)	EXEMPTION CREDIT, $ ALLOWANCE, BLIND
ECR*(4)	EXEMPTION CREDIT, $ ALLOWANCE, DEPENDENT
ECR*(6)	EXEMPTION CREDIT, INCLUSION OF TAXPAYERS
ECR*(7)	EXEMPTION CREDIT, INCLUSION OF AGED
ECR*(8)	EXEMPTION CREDIT, INCLUSION OF BLIND
ECR*(9)	EXEMPTION CREDIT, INCLUSION OF DEPENDENT
EIC	EARNED INCOME CREDIT
ELDCR	ELDERLY CREDIT.
EMAX	MAXIMUM MARGINAL TAX RATE ON EARNED INCOME
EMCR	TOTAL VALUE OF EXEMPTION TAX CREDITS
ERN	EARNED INCOME FOR ELDERLY CREDIT CALCULATION.
ETI	EARNED TAXABLE INCOME
E*(1)	EXEMPTIONS, DOLLAR ALLOWANCE, TAXPAYER
E*(2)	EXEMPTIONS, DOLLAR ALLOWANCE, AGED
E*(3)	EXEMPTIONS, DOLLAR ALLOWANCE, BLIND
E*(4)	EXEMPTIONS, DOLLAR ALLOWANCE, DEPENDENT
E*(6)	EXEMPTIONS, INCLUSION OF TAXPAYERS
E*(7)	EXEMPTIONS, INCLUSION OF AGED
E*(8)	EXEMPTIONS, INCLUSION OF BLIND
E*(9)	EXEMPTIONS, INCLUSION OF DEPENDENT
EXCESS	EXCESS ITEMIZED DEDUCTIONS
EXEM	TOTAL VALUE OF EXEMPTIONS
EXLCG	EXCLUDED LONG-TERM CAPITAL GAINS
EX*	N.C.E.
F4972	CODE FOR FORM 4972 SPECIAL 10 YEAR AVERAGING, LUMP-SUM TAX.
FACTOR	MULTIPLICATIVE FACTOR (SUB. MRATES)
FIFTH	1/5 PREFERENCE INCOME FROM PREVIOUS FIVE YEARS.
FLGSZ	FILING UNIT SIZE.
FMSIZE	SIZE OF FAMILY TO WHICH TAX UNIT BELONGS.
FNE	TOTAL NUMBER OF EXEMPTIONS
FNOSW	N.C.E.
FSYEAR	YEARLY FOOD STAMP BONUS VALUE(FOR UNIT WITH HEAD OF HOUSEHOLD).
FTPEN	FULLY TAXABLE PENSIONS
FUN	DESCRIPTION OF THE FUNCTIONS OF EACH LOGIC SWITCH

* =BLANK, ANY PLAN; =X, PLAN X; =Y, PLAN Y; =Z, PLAN Z
N.C.E. = NOT CURRENTLY EMPLOYED

*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
GD	GROSS DIVIDENDS
GPNS2	(ADJUSTED) GOVERNMENT PENSIONS.
GRAND	ACCUMULATED TOTALS FOR TABLE 6
HAGI	HYPOTHETICAL ADJUSTED GROSS INCOMES FOR THE BURDEN TABLES (SUB. BURSET)
HDED	HYPOTHETICAL ITEMIZED DEDUCTIONS AS A PERCENT OF AGI FOR THE BURDEN TABLES (SUB. BURSET)
HMIE	HOME MORTGAGE INTEREST EXPENSE.
HMSTAT	TENURE
HOSDTX	SOCIAL SECURITY & RAILROAD RETIREMENT,DISABILITY AND SURVIVOR EMPLOYEE TAX, HEAD ONLY
HSEF	HEAD SHARE OF SELF-EMPLOYED FARM INCOME(SEF)
HSENF	HEAD'S SHARE OF SELF-EMPLOYED NON-FARM (BUSINESS) INCOME (SENF)
HSSHTX	SOCIAL SECURITY & RAILROAD RETIREMENT HEALTH INSURANCE EMPLOYEE TAX, HEAD ONLY.
HWAGES	HEAD'S SHARE OF WAGES.
I0-9	AMOUNT OF CORE STORAGE REQUIRED FOR TABLES 1 THRU 7A
IA	LOGICAL UNIT FROM WHICH THE A BLOCK WILL BE INPUTTED
IA	INDEX FOR THE HAGI (SUB. BURSET)
IALT	INDICATOR FOR ALTERNATIVE PLAN Z
IB	LOGICAL UNIT FROM WHICH THE B BLOCK WILL BE INPUTTED
IB	BEGINNING LOCATION IN AN ARRAY READ OR WRITE
IBP	POINTER TO THE RECORD TO BE TRANSFERED
ICT1	TOTAL NUMBER OF PHYSICAL RETURNS READ FROM THE SAMPLE
ICT2	TOTAL NUMBER OF PHYSICAL RETURNS USED TO CONSTRUCT THE OUTPUT
ICT3	TOTAL NUMBER OF PHYSICAL RETURNS NOT USED IN THE CONSTRUCTION OF THE OUTPUT (N.C.E.)
ICT4	N.C.E.
ID	IDENT NUMBER
ID	INDEX FOR DEDUCTIONS AS A PERCENT OF AGI (SUB. BURSET)

* =BLANK, ANY PLAN; =X, PLAN X; =Y, PLAN Y; =Z, PLAN Z
N.C.E. = NOT CURRENTLY EMPLOYED

*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
IDED*	TYPE OF DEDUCTION INDICATOR (1=ITEMIZE, 2=STANDARD)
IDIP	DISPLACEMENT INDEXES (SUB. LSWOUT)
IDUM	DUMMY ARRAY EQUIVALENCED TO PLANY TITLE.
IE	ENDING LOCATION IN AN ARRAY READ OR WRITE
IE	INDEX FOR THE NUMBER OF DEPENDENT EXEMPTIONS EXCLUDING TAXPAYER EXEMPTIONS (SUB. BURSET)
INA	AN ARRAY CONTAINNING THE SCALE FACTORS (SUB. TABOUT)
INB	AN ARRAY CONTAINNING THE REPETITION FACTORS 1-10 (SUB. TABOUT)
INCH	INDICATOR FOR THE MAGNITUDE OF THE TAX CHANGE (1 IS <= 1%, 2 IS > 1%)
INDA	TRANSFER STATUS WORD FOR BLOCK A
INDB	TRANSFER STATUS WORD FOR BLOCK B
INDEX	INDEX, FROM THE INDEX FUNCTION
INDIC	INDICATOR FOR INSERTION, DELETION, ETC IN SUB. MRATES
INLAB(1)	INPUT LABEL, YEAR OF THE DATA BASE
INLAB(2)	INPUT LABEL, YEAR OF THE MAPIN
INLAB(3)	INPUT LABEL, NUMBER OF WORDS PER RECORD
INLAB(4)	INPUT LABEL, NUMBER OF RETURNS IN THE SAMPLE
INLAB(5)	INPUT LABEL, NUMBER OF BLOCKS PER REEL
INLAB(6-25	INPUT LABEL, NUMBER OF RETURNS BY SAMPLE CLASS
INLAB(-26)	INPUT LABEL, ALPHANUMERIC DESCRIPTION OF THE CONTENTS OF THE FILE.
INLCG	INCLUDED LONG TERM GAINS
INVIA	INVESTMENT INTEREST EXPENSE ALLOWED.
INVIT	INVESTMENT INTEREST TOTAL.
INVY	INVESTMENT INCOME.
IP	PAGE NUMBER
IPAGE	PAGE NUMBER
IPT	POINTER TO CHARACTERS IN THE Z ARRAY (SUB. HEAD)
IREC( )	ARRAY FOR STORING ONE RECORD
IS	SAMPLE INDICATOR SUBSCRIPT (1=1968 SUB SAMPLE, 2=1970 DRUM FILE, 3=1970 SUB SAMPLE)
IS	INDEX FOR TAXPAYER AND SPOUSE EXEMPTIONS (SUB. BURSET)
ISCALE	AN ARRAY CONTAINNING THE SCALE FACTORS FOR THE SPECIAL TAB (SUB. TABOUT)

* =BLANK, ANY PLAN; =X, PLAN X; =Y, PLAN Y; =Z, PLAN Z
N.C.E. = NOT CURRENTLY EMPLOYED

*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
ISW	PAGE SUBSCRIPTS FOR TABLE 1 AND 2 LOGIC SWITCH.
ITEST	INDICATOR THAT THE CURRENT TAX RATE SCHEDULE ENTRY IS A DUPLICATE
ITXB	INDICATOR FOR PRESENT TAX STATUS (1=TAXABLE, 2=NON-TAXABLE)
IZ( )	INDEXES FOR CALCULATING SCI FIGURES
J	VARIOUS USES
JA	SUBSCRIPT FOR THE 54 CATEGORIES OF ARRAY AD
JB	SUBSCRIPT FOR THE 54 CATEGORIES OF ARRAY AS
JD	SUBSCRIPT FOR TYPE OF DEDUCTION (1=ITEMIZE, 2=STANDARD)
JDJS	PAGE SUBSCRIPTS FOR TABLE 3 AND 4 LOGIC SWITCHES
JMAX	NUMBER OF CHANGES IN THE RATE SCHEDULE MINUS ONE
JMIN	STARTING AGI, SCHEDULE, DEDUCTION CELL OF THE 54 CATEGORIES
JS	SUBSCRIPT FOR THE TYPE OF SCHEDULE (1-3)
JT	SUBSCRIPT FOR THE 28 CATEGORIES OF ARRAY S3 AND S4
JX	SUBSCRIPT FOR THE 54 CATEGORIES IN TABLE 1 AN 1A
JY	SUBSCRIPT FOR INCOME OR AGI CLASSES (1-10)
JZ	SUBSCRIPT FOR THE 54 CATEGORIES IN TABLE 3
KD*(1)	GENERATED DEDUCTIONS, NEW CATEGORY NUMBER
KD*(2)	GENERATED DEDUCTIONS, NUMBER OF CATEGORIES TO BE COMBINED
KD*(3-9)	GENERATED DEDUCTIONS, SUBSCRIPTS OF THE CATEGORIES TO BE COMBINED
KPT	POINTER TO THE LAST COLUMN POSITION OF CHDG WHERE CHARACTERS WERE INSERTED (SUB. HEAD)
L1	SENSE LIGHT 1 (1=EOF, 2=CONTINUE READ OF TAX FILE)
L2	SENSE LIGHT 2 (1=FILE PREVIOUSLY CLOSED, 2=FILE PREVIOUSLY OPENED)
L19	THE VALUE OF LOGIC SWITCH 19.
LABEL( )	LABEL FOR EACH VARIABLE ON A RETURN
LAW	A VARIABLE WHICH IS SET EQUAL TO NPL AND RESULTS IN THE EXECUTION OF THE APPROPRIATE SECTIONS OF TXCALC FOR THE YEAR OF THE TAX LAW SPECIFIED BY NPL
LB	POINTER TO THE LAST NON-BLANK CHARACTER IN A GROUP OF 9 CHARACTERS (SUB. HEAD)

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*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
LB( )	LABELS FOR PRINTOUT OF THE MISC TAX PARAMETERS
LD*( )	LOGIC INDICATOR FOR THE APPLICATION OF FLOORS AND CEILINGS (0=NO FLOORS OR CEILINGS, 1=FLOORS AND CEILINGS)
LINEA	VARIABLE FORMAT FOR THE CURRENT LINE (SUB. TABOUT)
LINEB	VARIABLE FORMAT FOR THE UNDERLINE (SUB. TABOUT)
LINEC	VARIABLE FORMAT FOR THE TOTAL LINE (SUB. TABOUT)
LINES	THE TOTAL NUMBER OF LINES PRINTED (SUB. TABOUT)
LOGIC(1)	LOGIC SWITCH, RESERVED FOR FUTURE USE
LOGIC(2)	LOGIC SWITCH, RESERVED FOR FUTURE USE
LOGIC(3)	LOGIC SWITCH, RESERVED FOR FUTURE USE
LOGIC(4)	LOGIC SWITCH, CONTROLS READING OF LABELS FOR DISPLAY OF A RETURN
LOGIC(5)	LOGIC SWITCH, RESERVED FOR FUTURE USE
LOGIC(6)	LOGIC SWITCH, RESERVED FOR FUTURE USE
LOGIC(7)	LOGIC SWITCH, CONTROLS THE CLASSIFIER BREAKPOINTS
LOGIC(8)	LOGIC SWITCH, RESERVED FOR FUTURE USE
LOGIC(9)	LOGIC SWITCH, CONTROLS THE CLASSIFIER DEFINITION
LOGIC(10)	LOGIC SWITCH, MERGE FILE INDICATOR
LOGIC(11)	LOGIC SWITCH, CONTROLS THE COMPUTATION OF TABLE 1 AND TABLE1A
LOGIC(12)	LOGIC SWITCH, CONTROLS THE COMPUTATION OF TABLE 2
LOGIC(13)	LOGIC SWITCH, CONTROLS THE COMPUTATION OF TABLE 3
LOGIC(14)	LOGIC SWITCH, CONTROLS THE COMPUTATION OF TABLE 4
LOGIC(15)	LOGIC SWITCH, CONTROLS TABLE 6 (0= PLAN Y, 1= PLANX)
LOGIC(16)	LOGIC SWITCH, CONTROLS THE COMPUTATION OF TABLE 6
LOGIC(17)	LOGIC SWITCH, CONTROLS THE COMPUTATION OF TABLE 7 AND TABLE 7A
LOGIC(18)	LOGIC SWITCH, CONTROLS THE CALCULATION OF PLAN X
LOGIC(19)	LOGIC SWITCH, CONTROLS THE CALCULATION OF BURDEN TABLES
LOGIC(20)	LOGIC SWITCH, STORES TAX MODEL RESULTS
LSNA( )	SUBSCRIPTS FOR THE ARRAY LOGIC; OUTPUT TABLES LOGIC SWITCHES
LSNB( )	SUBSCRIPTS FOR THE ARRAY LOGIC; STUBS FOR TABLES 1,2, AND 7
LSW( )	EQUIVALENT ARRAY FOR OUTPUT TABLE LOGIC SWITCHES

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*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
LSW1-7( )	OUTPUT TABLE LOGIC SWITCHES
LT	AN ARRAY CONTAINNING THE TITLE LINES FOR SPECIAL TABS (SUB. TABOUT)
LTGL	LONG TERM GAIN OR LOSS(+ OR -)
LTGIS	LONG TERM GAINS FROM INSTALLMENT SALES (SUB-SEC. D).
M	VARIOUSES USES
M(1)	RETURN NUMBER
M(2)	MARITAL STATUS CODE
M(3)	FORM OF DEDUCTION CODE
M(4)	SAMPLE WEIGHT CLASS CODE
M(5)	PRESENT LAW AGI CLASS
M(6)	FORM 4972 CODE./
M( )	STORAGE ARRAY FOR THE PRINTOUT OF THE RUN NUMBER (COVERP)
MAPD	THE SUBSCRIPTS FOR THE ADDITIONAL VARIABLES REQUIRED FROM THE REAL PORTION OF THE "OUTLIERS" FILE.
MAPM	THE SUBSCRIPTS FOR THE ADDITIONAL VARIABLES REQUIRED FROM THE INTEGER PORTION OF THE "OUTLIERS" FILE.
MARS	MARITAL STATUS CODE.
MAXTAX	TAX SAVINGS FROM THE MAXIMUM TAX ON EARNED INCOME. ALSO, THE TAX BEFORE CREDITS UNDER THE MAXIMUM TAX PROVISION.
MAXTBL	MAXIMUM NUMBER OF ENTRIES IN A TAX RATE SCHEDULE
MCHCK( )	TOTAL NUMBER OF PHYSICAL RETURNS ON THE FILE BY SAMPLE WEIGHT CLASS
MCODE	SAMPLE WEIGHT CLASS CODE
METHOD	METHOD OF CHANGING RATE SCHEDULES
MG( )	INTEGER ARRAY FOR THE TAX RETURN INPUT RECORD
MG( )	ARRAY FOR THE STORAGE OF A DATA BLOCK (SUB. SAMPLE)
MIA	THE MAXIMUM NUMBER OF HAGI'S (SUB. BURSET)
MID	THE MAXIMUM NUMBER OF HDED'S (SUB. BURSET)
MIE	THE MAXIMUM NUMBER OF DEPENDENT EXEMPTIONS EXCLUDING TAXPAYER EXEMPTIONS (SUB. BURSET)
MINTAX	MINIMUM TAX AFTER ADJUSTMENTS (SUB. TXCALC)
MLCH	MAXIMUM NUMBER OF LINES IN THE COLUMN HEADINGS (SUB. TABOUT)

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*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
MM( )	THE LAST INTEGER PORTION OF THE DATA RECORD.
MORE	ADDITIONAL CORE REQUIRED AT DYNAMIC ALLOCATION FOR THE TABLES
MT*	MINIMUM TAX AFTER ADJUSTMENTS
MTDPY	MINIMUM TAX DEFERRED FROM PRIOR YEARS
MZ( )	ARRAY FOR THE STORAGE OF A DATA BLOCK
N	VARIOUS USES
N( )	NUMBER OF PHYSICAL RETURNS BY CELL (SUB. TAB1)
N1	CURRENT BREAKPOINT IN SCHEDULE 1
N2	CURRENT BREAKPOINT IN SCHEDULE 2
N3	CURRENT BREAKPOINT IN SCHEDULE 3
NAME(1)	RUN NUMBER
NAME(2-6)	TITLE TO REPLACE THE TITLE ON THE TITLEY CARD
NAME(7-15)	DETAILED DESCRIPTION OF TAX MODEL RUN, LINE 1.
NAME(16-24	DETAILED DESCRIPTION OF TAX MODEL RUN, LINE 2.
NAME(25)	DATE OF RUN
NAME(26)	VERSION NUMBER OF TABLE GENERATOR
NAME(27)	QUALIFICATION DESCRIPTION
NAME(28)	QUALIFICATION DESCRIPTION
NAME(29)	PROJECTED LEVEL OF THE TAX MODEL RUN
NAME(30)	= 1 IF THERE EXISTS NO TAX DECREASES = 2 IF THERE EXISTS NO TAX INCREASES
NAME(31)	YEAR OF TAX LAW
NAME(32)	AGGREGATE REVENUE ESTIMATE
NB1	NUMBER OF BREAKPOINTS IN SCHEDULE 1
NB2	NUMBER OF BREAKPOINTS IN SCHEDULE 2
NBLK	NUMBER OF RECORDS IN THE BLOCK
NBLKT	NUMBER OF BLOCKS PER REEL
NBRACS	NUMBER OF BRACKETS IN THE RATE SCHEDULE
NBR( )	NUMBER OF BREAKPOINTS IN A TAX SCHEDULE, ANY PLAN
NBRH	BRANCH INDICATOR FOR LOGIC IN THE ELDERLY CREDIT CALCULATION.
NB*( )	NUMBER OF BREAKPOINTS
NBOTH	INDICATOR THAT BOTH SPOUSES HAVE RETIREMENT INCOME: = 0 ONLY ONE SPOUSE HAS RETIREMENT INCOME = 1 BOTH SPOUSES HAVE RETIREMENT INCOME
NC	THE NUMBER OF COLUMNS IN A SPECIAL TAB (SUB. TABOUT)

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*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
NCHK	NUMBER OF PHYSICAL RETURNS INPUTTED BY SAMPLE WEIGHT CODE
NCHGS	NUMBER OF CHANGES IN THE RATE SCHEDULE
NCL	CURRENT NUMBER OF GROUPS OF COLUMN HEADINGS CHARACTERS ENCOUNTERED (SUB. HEAD)
NCLT	NUMBER OF CHARACTERS ON THE CURRENT LINE (SUB. TABOUT)
NCNT	CURRENT NUMBER OF BLOCKS THAT HAVE BEEN INPUTTED
NCODE	VARIABLE USED FOR CODING THE STORED RESULTS.
NCS	NUMBER OF CHARACTERS IN THE STRING (SUB. CENTER)
NE	TOTAL NUMBER OF EXEMPTIONS
NERR	ERROR INDICATOR, NERR=1, AN ERROR WAS DETECTED IN SUBROUTINE HEAD.
NEWX	INDICATOR FOR NEW PLAN X
NEWY	INDICATOR FOR NEW PLAN Y
NEWZ	INDICATOR FOR NEW PLAN Z
NEX	NUMBER OF DEPENDENT EXEMPTIONS.
NEXT	INDICATOR TO GO TO THE NEXT COLUMN (SUB. HEAD)
NFL	FLAG TO INDICATE HOLDING PERIOD OF LONG TERM GAINS
NGL	NET GAIN OR LOSS (+ OR -).
NL	NET LOSSES WHNE LINE 14 IS A LOSS
NLCH	POINTER TO THE CURRENT LINE OF THE COLUMN HEADINGS BEING CONSTRUCTED (SUB. HEAD)
NLEV	YEAR OF THE MAPIN
NLT	THE NUMBER OF LINES IN THE TITLE OF A SPECIAL TAB (SUB. TABOUT)
NLR	THE NUMBER OF LINES REMAINNING ON A PAGE FOR A SPECIAL TAB (SUB. TABOUT)
NLTGL	NET LONG TERM GAIN OR LOSS(+ OR -)
NMAPD	THE NUMBER OF ADDITIONAL VARIABLES REQUIRED FROM THE REAL PORTION OF THE "OUTLIERS" FILE.
NMAPM	THE NUMBER OF ADDITIONAL VARIABLES REQUIRED FROM THE INTEGER PORTION OF THE "OUTLIERS" FILE
NNBC	NUMBER OF NON-BLANK CHARACTERS (SUB. CENTER)
NO	THE RUN NUMBER (COVERP)
NOBEN	EXCESS DEDUCTIONS, EXEMPTIONS & LOSSES OTHER THAN CAPITAL LOSSES.
NOCHCK	INDICATOR TO BYPASS DATA CHECK (0=NO CHECK, 1=CHECK)
NOL	NUMBER OF LINES

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*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
NOL75	1975 NET OPERATING LOSS CARRYOVER.
NPC	NUMBER OF COLUMNS THAT WILL BE PRINTED (SUB. TABOUT)
NPL	A VARIABLE INITIALIZED TO THE LAST TWO DIGITS OF THE YEAR OF THE TAX LAW REFLECTED BY SUBROUTINE INPUT2
NPLAN	A VARIABLE WHICH SPECIFIES WHICH TAX PLAN IS CURRENTLY BEING EXECUTED. 1= PLAN X, 2= PLAN Y, AND 3= PLAN Z.
NPT	POINTER TO THE COLUMN POSITION OF CHDG WHERE THE CHARACTERS WILL BE INSERTED (SUB. HEAD)
NR	NUMBER OF ROWS IN THE SPECIAL TABULATION (SUB. TABOUT)
NRET	NUMBER OF RETURNS IN THE SAMPLE
NRM1	NUMBER OF ROWS MINUS 1 (SUB. TABOUT)
NRPT	REPETION FACTOR FOR THE PREVIOUS FORMAT WITH SPECIAL TABS (SUB. TABOUT)
NSAVE	POINTER TO THE LAST POSITION IN THE Z ARRAY WHERE COLUMN HEADING CHARACTERS WERE STORED (SUB. HEAD)
NS1	NUMBER OF PHYSICAL RETURNS, TAXABLE SUBTOTAL
NS2	NUMBER OF PHYSICAL RETURNS, TOTAL
NSTGL	NET SHORT TERM GAIN OR LOSS (+ OR -).
NSTOP	NUMBER OF RETURNS TO BE PROCESSED BEFORE TERMINATING THE RUN
NSW	INDICATOR OF THE MAGNITUDE OF THE CURRENT SPOUSE'S RETIREMENT INCOME VS THE OTHER SPOUSES RETIREMENT INCOME. = -1 CURRENT SPOUSE'S R.I. < OTHER SPOUSE'S RETIREMENT INCOME. = 0 BOTH HAVE SAME AMOUNT OF R.I. = +1 CURRENT SPOUSE'S R.I. > OTHER SPOUSE'S RETIREMENT INCOME.
NTC	COLUMN CURRENTLY BEING PROCESSED (SUB. HEAD)
NTDCGD	NON-TAXABLE DIVIDENDS & FULL CAPITAL GAINS DISTRIBUTIONS.
NT*	NUMBER OF GENERATED DEDUCTION CATEGORIES
NWRD	NUMBER OF WORDS PER BLOCK
NWRDR	NUMBER OF WORDS PER RECORD

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*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
NX	NUMBER OF COLUMNS THAT WILL BE PRINTED NX < OR = 100 (SUB. HEAD)
NYEAR	YEAR OF THE DATA BASE
ODD	DEVICE FOR HANDLING CHARACTER STRINGS THAT DO NO CENTER EVENLY (SUB. CENTER)
OIE	OTHER INTEREST EXPENSE.
OLDTAB( )	ARRAY FOR RETAINING THE OLD TAX RATE SCHEDULES
ONE	THE DATA ITEM 1.0
OPTION	OPTION NUMBER FOR METHOD OF CHANGING TAX RATES
OPTN	DESCRIPTION OF THE OPTIONS FOR EACH LOGIC SWITCH
OTHERT	OTHER TAXES, EXCEPT MINIMUM TAX
OTRP	OTHER TAXES REDUCING PREFERENCE INCOME
P69LTC	POST-1969 LONG TERM CAPITAL LOSS CARRYOVERS (+).
P69LTL	1/2 OF POST-1969 LONG TERM LOSS CARRYOVERS PLUS 1/2 REMAINNING LONG TERM LOSSES.
P69STC	POST-1969 SHORT TERM CAPITAL LOSS CARRYOVERS(+).
P70LTC	PRE-1970 LONG TERM CAPITAL LOSS CARRYOVERS(+).
P70STC	PRE-1970 SHORT TERM CAPITAL LOSS CARRYOVERS(+).
PAGI	PHONY AGI FOR SICK PAY LIMITATION
PC1&2	SELECTED VARIABLES EXPRESSED IN PERCENTAGE TERMS
PERCNT	INPUTTED PERCENTAGE CHANGE
PIN*(1)	SICK PAY EXCLUSION
PIN*(2)	MAXIMUM PERCENTAGE RATE ON EARNED INCOME
PIN*(3)	PERCENTAGE DEDUCTIONS INCLUSION
PIN*(4)	PERCENTAGE EXEMPTIONS INCLUSION
PIN*(5)	FLOOR ON PREFERENCE INCOME REDUCING EARNED TAXABLE INCOME
PIN*(6)	MAXIMUM AMOUNT OF FULLY SHELTERED ALTERNATIVE CAPITAL GAINS
PIN*(7)	RATE ON UNSHELTERED ALTERNATIVE CAPITAL GAINS
PIN*(8)	MINIMUM TAX RATE ON PREFERENCES
PIN*(9)	FLOOR ON PREFERENCES FOR MINIMUM TAX
PIN*(10)	PERCENTAGE MEDICAL INSURANCE PREMIMUM DEDUCTION
PIN*(11)	PERCENT EXCESS ITEMIZED DEDUCTIONS OVER AGI
PIN*(12)	PERCENT OF REGULAR TAX TO OFFSET MINIMUM TAX
PIN*(13)	PERCENT FOR OPTIONAL TAXABLE INCOME CREDIT
PIN*(14)	CEILING ON OPTIONAL TAXABLE INCOME CREDIT
PIN*(15)	PERCENTAGE FOR CHILD CARE CREDIT
PIN*(16)	AMOUNT PER DEPENDENT FOR CHILD CARE CREDIT

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*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
PIN*(17)	MAXIMUM AMOUNT FOR ALL DEPENDENTS UNDER THE CHILD CARE CREDIT
PIN*(18)	PERCENT FOR EARNED INCOME CREDIT
PIN*(19)	MAXIMUM AMOUNT OF EARNED INCOME CREDIT
PIN*(20)	EARNED INCOME CREDIT, LEVEL OF AGI WHERE PHASEOUT BEGINS.
PIN*(21)	LIMITATION ON INVESTMENT INTEREST EXPENSE
PIN*(22)	ELDERLY CREDIT: MAXIMUM AMOUNT S.T. CREDIT, SINGLE RETURNS.
PIN*(23)	ELDERLY CREDIT: MAXIMUM AMOUNT S.T. CREDIT, JOINT RETURNS.
PIN*(24)	ELDER CREDIT: REDUCTION BASED ON AGI, %
PIN*(25)	LEVEL OF AGI WHERE PHASE-OUT BEGINS ON THE ELDERLY CREDIT COMPUTATION FOR SINGLE RETURNS.
PIN*(26)	LEVEL OF AGI WHERE PHASE-OUT BEGINS ON THE ELDERLY CREDIT COMPUTATION FOR MARRIED FILING JOINT RETURNS.
PIN*(27)	ELDERLY CREDIT, RATE OF CREDIT.
PIN*(28)	ELDERLY CREDIT: REDUCTION BASED ON EARNED INCOME, AGE < 62.
PIN*(29)	ELDERLY CREDIT: REDUCTION BASED ON EARNED INCOME, AGE 62<= AGE < 72.
PIN*(30)	ELDERLY CREDIT: REDUCTION BASED ON EARNED INCOME, EI > PIN(32).
PIN*(31)	ELDERLY CREDIT: REDUCTION BASED ON EARNED INCOME, LOWER LIMIT.
PIN*(32)	ELDERLY CREDIT: REDUCTION BASED ON EARNED INCOME, UPPER LIMIT.
PLANY	N.C.E.
PLANZ	N.C.E.
PNB	PERCENT NON-BUSINESS.
POP( )	AGGREGATE NUMBER OF RETURNS FOR THE 54 CATEGORIES OF TABLE 1 AND 2 AFTER EXTENSION
PP	POPULATION OF A SINGLE CELL
PPNS2	(ADJUSTED) PRIVATE PENSIONS
PREFI	PREFERENCE INCOME EXCLUDING THE EXCLUDED LONG-TERM CAPITAL GAINS
PREF*	TOTAL TAXABLE PREFERENCE INCOME

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*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
PREFMT	PREFERENCES FOR THE MAXIMUM TAX: THE LARGER OF CURRENT YEAR PREFERENCES OR 1/5 OF PREFERENCES OVER THE LAST FIVE YEARS.
PRNTCT	PRINT ARRAY FOR TABLE 6
PSI	PERSONAL SERVICE INCOME (1977 - ON)
PTR	POINTER TO THE CURRENT DIRECTORY WORD IN THE INPUT BLOCK
PTPEN	PARTIALLY TAXABLE PENSIONS
PWT( )	AGGREGRATE NUMBER OF RETURNS FOR THE 54 CATEGORIES IN TABLE 1, EMPLOYED TO MAKE ADJUSTMENTS IN TABLE 7
P*( )	PLAN PARAMETERS
QUEST	THE LITERAL ? (SUB. HEAD)
R6S( )	MARGINAL TAX RATES FOR TABLE 6
RATE	INPUTTED MARGINAL TAX RATE
RATIO	PERCENTAGE OF PERSONAL SERVICE INCOME TO AGI.
RCDCNT	NUMBER OF RECORDS ON THE CURRENT INPUT BLOCK
RECORD	STORAGE LOCATION THAT WILL RECIEVE THE UNPACKED DATA
RESID	ALL INCOME OTHER THAN DIVIDENDS AND CAPITAL GAINS IN AGI.
RESLCG	UNSHELTERED LONG-TERM CAPITAL GAINS SUBJECT TO A HIGHER TAX RATE.
RETNO	CONSECUTIVE RETURN NUMBER
RETNY	TOTAL NUMBER OF RETURNS THAT CHOSE PLAN Y
RETNZ	TOTAL NUMBER OF RETURNS THAT CHOSE PLAN Z
RINC	RETIREMENT INCOME.
RINCL	RETIREMENT INCOME OF SPOUSE WITH THE LARGER AMOUNT.
RINCS	RETIREMENT INCOME OF SPOUSE WITH THE SMALLER AMOUNT.
RM	RIGHT HAND MARGIN (SUB. CENTER)
RMAX	FLAG FOR APPLYING THE MAX MARGINAL TAX RATE ON EARNED INCOME
RNO( )	THE LITERALS 0 - 9 FOR THE RUN NUMBER PRINTOUT (COVERP)
RS	LEFT HAND STUBS FOR SPECIAL TABS (SUB. TABOUT)
RTE	MARGINAL TAX RATE
RTM	MARGINAL TAX RATE
RTMX	CALCULATED MARGINAL TAX RATE
R*	N.C.E.
S	A SUM VARIABLE

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*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
S3( )	SUBTOTALS FOR EACH PAGE OF TABLE 3 EXCEPT THE SUMMARY PAGES
S4( )	SUBTOTALS FOR EACH PAGE OF TABLE 4 EXCEPT THE SUMMARY PAGES
SAGE	SPOUSE'S AGE
SBA( )	BEGINNING LOCATION FOR INPUTTING OUTPUT TABLE LOGIC SWITCHES
SBB( )	BEGINNING LOCATION FOR INPUTTING STUBS FOR TABLES 1, 2, AND 7
SCHD	SCHEDULE NUMBER
SCHTTL( )	SCHEDULE TITLES FOR TABLE 6
SEA( )	ENDING LOCATION FOR INPUTTING OUTPUT TABLE LOGIC SWITCHES
SEB( )	ENDING LOCATION FOR INPUTTING STUBS FOR TABLES 1,2, AND 7
SEEARN	SELF-EMPLOYMENT EARNINGS.
SEF	FILING UNIT SELF-EMPLOYED FARM INCOME
SENF	FILING UNIT SELF-EMPLOYED NON-FARM(BUSINESS) INCOME
SG( )	REAL ARRAY FOR THE TAX RETURN INPUT RECORD
SHAREL	PERCENTAGE SHARE OF INCOME OF SPOUSE WITH THE LARGER AMOUNT.
SHARES	PERCENTAGE SHARE OF INCOME OF SPOUSE WITH THE SMALLER AMOUNT.
SHELTR	SHELTERED LONG-TERM CAPITAL GAINS SUBJECT TO PREFERENTIAL TREATMENT AT A LOWER TAX RATE
SICKPY	SICK PAY
SIZERR	LOGICAL VARIABLE FOR SIGNALLING THAT MAXIMUM NUMBER OF BRACKETS WAS EXCEEDED
SORTAB( )	ARRAY FOR SORTING THE CHANGES TO THE TAX RATE SCHEDULES
SLASH	THE LITERAL SLASH (SUB. HEAD)
SSEC	SOCIAL SECURITY BENEFITS USED IN CALCULATING THE ELDERLY CREDIT.
SSEC2	(ADJUSTED) SOCIAL SECURITY AND RAILROAD RETIREMENT INCOME
STAN	VALUE OF STANDARD DEDUCTION
STATE	SIE STATE (DVSTAT) MAPPED INTO TAX MODEL CODES.
STGL	SHORT TERM GAINS OR LOSSES (+ OR -).

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*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
SUBWT( )	SUBSAMPLE WEIGHT ADJUSTMENT FACTORS
SUM	TOTAL ALLOWABLE DEDUCTIONS ON STANDARD CATAGORIES
SUM( )	TOTALS FOR THE SUMMARY PAGES OF TABLE 3 AND 4
SUM1( )	COLUMN SUMS, TAXABLE SUBTOTAL
SUM2( )	COLUMN SUMS, TOTAL
SUMCGZ	AGGREGRATE FULLY SHELTERED CAPITAL GAINS UNDER PLAN Z
SUMCGY	AGGREGRATE FULLY SHELTERED CAPITAL GAINS UNDER PLAN Y
T	STORAGE ARRAY FOR ALL THE OUTPUT TABLES
T1-7	ARRAYS FOR TABLES 1 THROUGH 7
T1A	ARRAY FOR TABLE 1A
T1S1-2( )	TABLE 1 STUBS
T2S1-3( )	TABLE 2 STUBS
T6A( )	MERGED RATE SCHEDULES FROM T6R( )
T6S( )	NUMBER OF T6R( ) TABLE ENTRIES
T6R( )	MARGINAL TAX RATES FOR EACH SCHEDULE( )
T7A	ARRAY FOR TABLE 7A
T7S( )	TABLE 7 STUBS
TAB6SW	FIRST TIME SWITCH TO INITIALIZE TABLE 6
TAGE	TAXPAYER'S AGE
TAX	TAX, FROM THE TAX FUNCTION
TAX	INPUTTED AMOUNT OF TAX (SUB. MRATES)
TAX1	TAX ON TAXABLE INCOME NET OF LONG TERM CAPITAL GAINS EXCEPT FOR THE SITUATION WHERE THE TAXPAYER ALSO HAS ELECTED THE MAXIMUM TAX. IN THIS CASE, TAX1 MAY BE LESS THAN THE TAX ON TINLTG DUE TO THE TAX SAVINGS ALREADY REALIZED FROM THE MAXIMUM TAX.
TAX2	THE TAX ON LONG TERM GAINS OF LESS THAN $50,000.
TAX3	THE ADDITIONAL TAX ON LONG TERM CAPITAL GAINS IN EXCESS OF $50,000.
TAXA*	INCOME TAX AFTER CREDITS BUT BEFORE SAVINGS
TAXB	INCOME TAX BEFORE CREDITS
TAXBS	INCOME TAX BEFORE CREDITS AND SAVINGS
TAXD	DIVIDENDS RECIEVED IN AGI
TAXETI	TAX ON EARNED TAXABLE INCOME
TAXEX	TAX ON EARNED TAXABLE INCOME WITH RATES TRUNCATED AT PIN(2)

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*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
TAXS	THE TAX ON TAXABLE INCOME NET OF LONG TERM CAPITAL GAINS BUT INCLUDING SUB-SECTION C GAINS.
TAXT	A TEMPORARY TAX FOR COMPUTING THE ADDITIONAL TAX AND EQUAL TO THE LARGER OF THE TAX ON ORDINARY INCOME OR THE TAX ON TAXABLE INCOME NET OF LONG TERM CAPITAL GAINS BUT INCLUDING THE SUB-SECTION D CAPITAL GAINS.
TCGA	TOTAL CAPITAL GAINS ELIGIBLE FOR ALTERNATIVE TREATMENT
TCGSA	TOTAL SHORT-TERM CAPITAL GAINS
TINC*	TAXABLE INCOME
TINLTG	TAXABLE INCOME NET OF LONG TERM GAINS
TISUBD	TAXABLE INCOME NET OF LONG TERM CAPUITAL GAINS BUT INCLUDING SUB-SECTION D GAINS.
TITLE( )	TITLE, ANY PLAN
TM*( )	MARGINAL TAX RATES AT EACH BREAKPOINT
TPEN	TOTAL TAXABLE PENSIONS.
TSLSIA	TAX FROM SPECIAL LUMP-SUM INCOME AVERAGING.
TSPL	STORAGE ARRAY FOR SELECTED RESULTS FROM THE SUM SUMMARY PAGES OF TABLES 1A AND 5.
TSTB( )	EQUIVALENT ARRAY FOR TABLE STUBS
TS*( )	TAX SCHEDULES
TTAXA	TENATIVE TAX AFTER CREDITS
TTL( )	TITLE, ANY PLAN
TXPYE	NUMBER OF TAXPAYER EXEMPTIONS
TX( )	TITLE FOR PLAN X
TXCRD	TOTAL TAX CREDITS NET OF EXEMPTION TAX CREDITS
TXR	EFFECTIVE TAX RATE CALCULATED ON YC
TXSAV	TOTAL TAX SAVINGS WHEN BOTH THE MAXIMUM TAX ON EARNED INCOME AND THE ALTERNATIVE TREATMENT OF CAPITAL GAINS ARE ELECTED. IF THE SAVINGS FROM INCOME AVERAGING IS LARGER, THEN THIS VARIABLE CONTAINS THE SAVINGS FROM INCOME AVERAGING.
TY( )	TITLE FOR PLAN Y
TY*( )	TAXABLE INCOME BREAKPOINTS
UNCRS	UNUSED CREDITS.
UNMC2	(ADJUSTED) UNEMPLOYMENT COMPENSATION
UPCC	UNUSED POLITICAL CAMPAIGN CONTRIBUTIONS CREDIT
URIC	UNUSED RETIREMENT INCOME CREDIT

* =BLANK, ANY PLAN; =X, PLAN X; =Y, PLAN Y; =Z, PLAN Z
N.C.E. = NOT CURRENTLY EMPLOYED

*** GLOSSARY OF VARIABLE NAMES ***
PROGRAM: VER6*MODEL-PROGRAM

VARIABLE NAME	DESCRIPTION
VERSCN( )	LABEL CONTAINNING THE VERSION OF THE TAX MODEL AND PRINTED ON THE COVER PAGE AND THE TITLE PAGE
VETB	VETERANS BENEFITS (SUMMED OVER TAX UNIT)
WAGES	FILING UNIT WAGES
WELF2	(SIMULATED PUBLIC ASSISTANCE.
WORK	TEMPORARY WORK AREA FOR ADJUSTING OTHER TAXES REDUCING PREFERENCE INCOME.
WOSDTX	SOCIAL SECURITY AND RAILROAD RETIREMENT,DISABILITY AND SURVIVOR EMPLOYEE TAX, WIFE ONLY
WRKC2	(ADJUSTED) WORKMENS COMPENSATION(SUMMED OVER TAX UNIT)
WSSHTX	SOCIAL SECURITY AND RAILROAD RETIREMENT HEALTH INSURANCE EMPLOYEE TAX, FOR WIFE ONLY
WT70( )	1970 WEIGHTS BY SAMPLE CLASS
WT	WEIGHT FOR THE CURRENT RECORD
WTMERG	MERGED WEIGHT FLOATING POINT.
XAGE	CURRENT SPOUSE'S AGE.
XL( )	LABELS FOR PRINTOUT OF THE EXEMPTION ALLOWANCES AND CREDITS PARAMETRS
XLAB	TITLES FOR FILING UNIT SIZE TABULATIONS.
Y( )	STRING OF TITLE CHARACTERS (SUB. HEAD)
YC(1)	COHEN INCOME CONCEPT
YC(2)	ADJUSTED GROSS INCOME CONCEPT
YC(3)	TAXABLE INCOME CONCEPT
X	VARIABLE DIMENSION ARRAY FOR SPECIAL TABS (SUB. TABOUT)
XCNT	INDICATOR THAT ALL DUPLICATE ENTRIES IN THE TAX SCHEDULES HAVE BEEN FLAGGED
XLIM	LIMIT ON INVESTMENT INTEREST EXPENSE.
XSHARE	CURRENT SPOUSE'S SHARE OF TOTAL WAGES & SALARIES.
XTRA	EXTRA OR ADDITIONAL LIMIT ON INVESTMENT INTEREST EXPENSE (1975 ONLY).
Z	WORKING STORAGE (SUB. TABOUT)
ZPT	POINTER TO THE LAST CHARACTER PROCESSED IN THE Z ARRAY (SUB. HEAD)

* =BLANK, ANY PLAN; =X, PLAN X; =Y, PLAN Y; =Z, PLAN Z
N.C.E. = NOT CURRENTLY EMPLOYED

11. USER NOTES.

11.1. USER NOTE NUMBER 1: VERSION 3 OF THE TAX MODEL.

A NUMBER OF CHANGES HAVE BEEN MADE IN THE CREATION OF VERSION 3 OF THE TAX MODEL PROGRAM. THIS NOTE BRIEFLY DOCUMENTS EACH CHANGE MADE TO VERSION 2 OF THE TAX MODEL PROGRAM IN CREATING VERSION 3. IN THE DOCUMENTATION BELOW, EACH CHANGE IS SUBCLASSIFIED AS AN INPUT CHANGE, AN OUTPUT CHANGE, A COMPUTATIONAL CHANGE OR A TECHNICAL CHANGE. HENCE, THE USER CAN READ THOSE SUBSECTIONS WHICH CORRESPOND TO HIS DEGREE OF INVOLVEMENT WITH THE TAX MODEL.

TWO CHANGES, HOWEVER, ARE OF SPECIAL INTEREST. FIRST, THE TAX MODEL SOURCE HAS BEEN ANNOTATED. SECOND, THE MAP DIRECTIVE HAS BEEN MODIFIED. (SEE TECHNICAL CHANGE NO. 4).

11.1.1. INPUT CHANGES.

A NEW PARAMETER HAS BEEN ADDED TO THE RUN PARAMETER CARD (CARD NO. 100). THIS NEW PARAMETER ALLOWS THE USER TO BYPASS THOSE SECTIONS OF THE TAX MODEL PROGRAM WHICH CHECK THE CARD INPUT DATA. THIS OPTION IS FULLY DOCUMNETED IN SECTION 6.1.1.

11.1.2. OUTPUT CHANGES.

(1) THE TAX RATE SCHEDULES USED TO READ:
SCHEDULE I. (A) SINGLE TAXPAYERS WHO DO NOT QUALIFY FOR RATES IN SCHEDULES II AND III, AND (B) MARRIED PERSONS FILING SEPERATE RETURNS.
SCHEDULE II. (A) MARRIED TAXPAYERS FILING JOINT RETURNS, AND (B) CERTAIN WIDOWS AND WIDOWERS.
THESE NOW READ AS FOLLOWS:
SCHEDULE I. (A) SINGLE TAXPAYERS WHO DO NOT QUALIFY FOR RATES IN SCHEDULES II AND III.
SCHEDULE II. (A) MARRIED TAXPAYERS FILING JOINT RETURNS, (B) CERTAIN WIDOWS AND WIDOWERS, AND (C) MARRIED PERSONS FILING SEPARATE RETURNS (APPLIED AT 1/2 THE INTERVALS).

(2) THE HEADING OVER THE LAST TWO COLUMNS OF TABLE 5 USED TO READ--

ITEMIZED RETURNS

SWITCHING TO
STANDARD DEDUCTION

THIS HAS BEEN CHANGED TO READ AS FOLLOWS--

RETURNS WHICH
CHANGED THEIR
TYPE OF DEDUCTION

11.1.3. COMPUTATIONAL CHANGES.

(1) TOTAL INCOME IN TABLE 3 WAS NET OF PENSIONS AND ANNUITIES, AND ALL OTHER SOURCES OF INCOME. THIS HAS BEEN CHANGED TO INCLUDE PENSION AND ANNUITIES, AND ALL OTHER INOCME.

(2) SOUBROUTINE MAPIN/70 WAS MODIFIED SO THAT D(51), D(58), D(61), D(65), AND D(68) REFLECT TOTAL MEDICAL DEDUCTIONS, TAX EXPENSE, CONTRIBUTIONS, INTEREST EXPENSE, AND MISCELLANEOUS DEDUCTIONS RESPECTIVELY. A PREVIOUS PROGRAMMING ERROR RESULTED IN OTHER MEDICAL, TAX EXPENSE, OCNTRIBUTIONS, INTEREST EXPENSE, AND MISCELLANEOUS DEDUCTIONS, RESPECTIVELY, OCCUPYING THESE FIELDS.

(3) THE CALCULATION OF THE 'OTHER' DEDUCTIONS SUBCATEGORIES WAS MOVED FROM SUBROUTIINE BLOWUP/70 TO MAAPIN/70.

(4) THE CALCULATION OF DIVIDENDS AFTER EXCLUSION WAS MODIFIED TO INSURE A POSITIVE DIVIDEND EXCLUSION (WHERE APPLICABLE) ON THE EXTRAPOLATED SAMPLE. THIS WAS ACCOMPLISHED USING THE FOLLOWING FORMULA--

```
                          +--
                          I DIVIDENDS BEFORE EXCLUSION
                          I        +--
                          I        I DIVIDEND EXCLUSION  1970
                          I        I        +--
DIVIDENDS AFTER = MIN <   I        I        I DIVIDENDS BEFORE
      EXCLUSION           I  MAX <          I EXCLUSION
                          I        I MIN  <
                          I        I        I $100.00
                          I        I        +--
                          I        +--
                          +--
```

(5) THE AMOUNT OF RETIREMENT INCOME CREDIT ESTIMATED BY THE TAX MODEL FOR 1974 WAS TWICE THE EXOGENOUSLY DETERMINED TARGET AMOUNT ALTHOUGH THE NUMBER OF RETURNS WITH RETIREMENT INCOME CREDIT WAS 'GOOD'. CONSEQUENTLY, 50%

OF THE RETURNS WITH RETIREMENT INCOME CREDIT--SELECTED ON A RANDOM BASIS--WERE ASSIGNED A ZERO VALUE FOR RETIREMENT INCOME CREDIT.

(6) ALL DOLLAR AMOUNTS ON THE TAX MODEL SAMPLE ARE ROUNDED TO THE NEAAREST CENT. THE ROUNDING FUNCTION HAS BEEN MADE A PERMANENT PART OF THE TAX MODEL AND ALL FINAL TAX LIABILITIES ARE ROUNDED TO THE NEAREST CENT.

(7) IN SUBROUTINE MAIN2, THE CALL TO THE TAX CALCULATOR FOR PLAN Z ERRONEOUSLY CONTAINED THE VARIABLE TINCX IN THE ARGUMENT LIST. THIS HAS BEEN CHANGED FROM TINCX TO TINCZ.

(8) IF AN INDIVIDUAL ELECTS THE SAVINGS FROM INCOME AVERAGING HE MAY NOT AVAIL HIMSELF OF THE ALTERNATIVE TAX ON CAPITAL GAINS OR THE MAXIMUM TAX ON EARNED INCOME. THIS PROVISION OF THE TAX LAW WAS PREVIOUSLY OVERLOOKED IN THE PROGRAMMING OF SUBROUTINE TXCALC AND HAS NOW BEEN CORRECTED.

(9) UNDER THE 1972 TAX LAW, IT WAS POSSIBLE FOR AN INDIVIDUAL'S TAX SAVINGS FROM THE ALTERNATIVE TREATMENT OF CAPITAL GAINS AND THE MAXIMUM TAX ON EARNED INCOME TO EXCEED THE TAX SAVINGS THAT WOULD HAVE BEEN GENERATED HAD ALL THE MARGINAL RATES BEEN TRUNCATED AT THE 50% LEVEL. THE TAX SAVINGS, HOWEVER, WOULD BE IDENTICICAL IN BOTH SITUATIONS. THIS WAS DUE TO THE FACT THAT NET EARNED TAXABLE INCOME COULD EXCEED THE VALUE OF TAXABLE INCOME DEFINED FOR THE PURPOSES OF THE ALTERNATIVE TREATMENT OF CAPITAL GAINS. SINCE THIS SITUATION IS UNDESIRABLE, NET EARNED TAXABLE INCOME WAS CONSTRAINED TO BE NO LARGER THAN TAXABLE INCOME DEFINED FOR THE PURPOSES OF THE ALTERNATIVE TREATMENT OF CAPITAL GAINS.

TO ILLUSTRATE THIS SITUATION, CONSIDER THE FOLLOWING EXAMPLE: SUPPOSE THAT A JOINT RETURN HAS A TAXABLE INCOME OF $65,000. AT ORDINARY RATES, THE TAX ON THE RETURN'S TAXABLE INCOME WOULD BE $24,970. FURTHERMORE, ASSUME THAT THE RETURN HAD $20,000 OF LONG TERM CAPITAL GAIN. THE TAXABLE INCOME FOR THE ALTERNATIVE TAX WOULD BE $55,000 AND THE TAX SAVINGS WOULD BE $2,820. THIS SAVINGS IS INDICATED BY THE LINES SLOPING DOWN AND TO THE LEFT AS WELL AS THE X'S IN FIGURE 1. IF THE RETURNS NET EARNED TAXABLE INCOME IS 90% OF ITS TAXABLE INCOME, THEN NET EARNED TAXABLE INCOME WILL BE $58,500 AND THE SAVINGS DUE TO THE MAXIMUM TAX WILL BE $195. THIS SAVINGS IS INDICATED BY THE ASTERISK'S AND THE FIGURE 1. THE X'S IN X'S IN FIGURE 1 IS WHERE A DOUBLE COUNTING OF THE TAX SAVINGS OCCURS. IT IS EQUAL TO 3% OF $3,500 OR $105. CONSEQUENTLY, THE TOTAL TAX SAVINGS ($2820 + $195 = $3015)

IS $105 TOO LARGE.

HENCE, WHEN THE MARGINAL RATES ARE TRUNCATED AT 50%, THE TAX SAVINGS WILL BE $105 LOWER THAN $3015. THIS IS EASILY VERIFIED. WHEN THE MARGINAL RATES ARE TRUNCATED AT 50%, THE TAX ON $65,000 OF TAXABLE INCOME IS $24,560. THIS IS $410 SAVINGS GENERATED BY TRUNCATING THE MARGINAL RATES AT 50%. CALCULATING THE SAVINGS FROM THE ALTERNATIVE TREATMENT OF CAPITAL GAINS YIELDS $2500. THUS, THE TOTAL TAX SAVINGS IS $2910 WHICH IS EXACTLY $105 LESS THAN THE PREVIOUS FIGURE OF $3015.

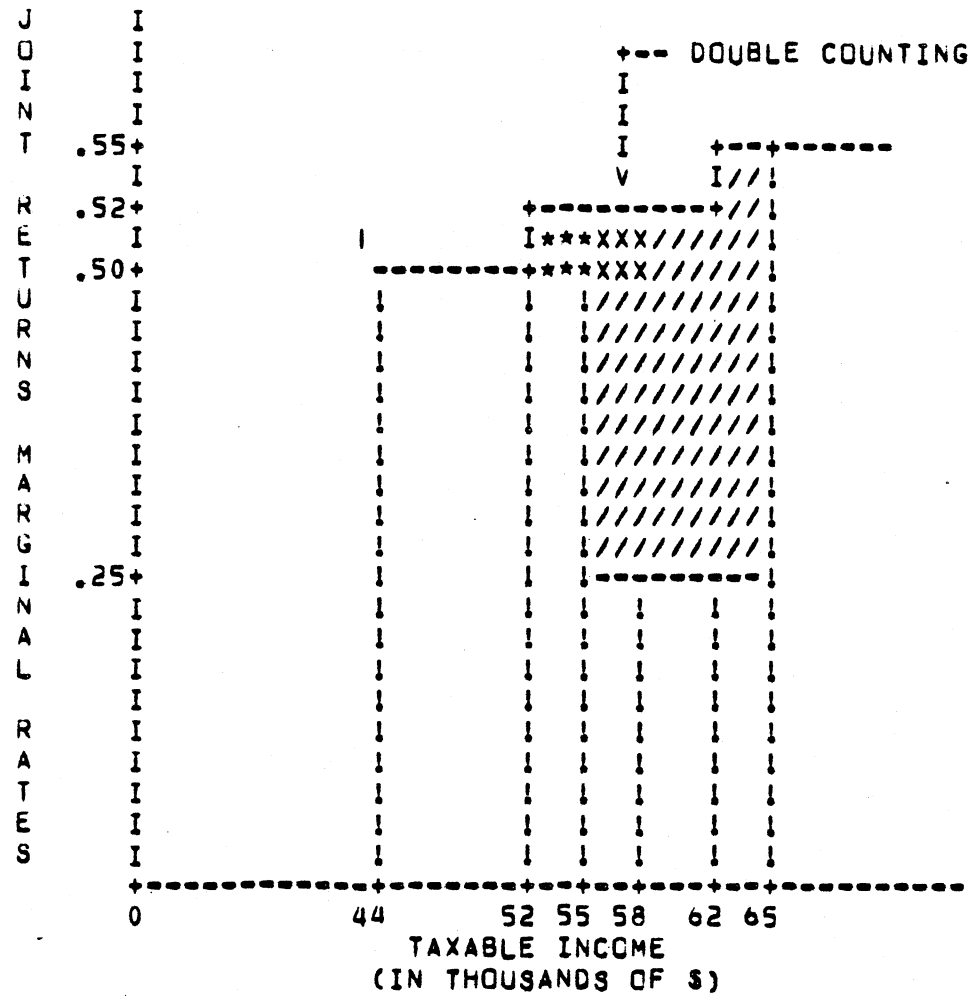

FIGURE 1: HYPOTHETICAL CASE

(10) THE LIMITATION ON INTEREST FROM INVESTMENT INDEBTNESS HAS BEEN INCORPORATED AS A PERMANENT COMPONENT OF SUBROUTINE TXCALC. UNDER THE OLD VERSION OF THE TAX MODEL PROGRAM, THE LIMITATION ON INTEREST FROM INVESTMENT INDEBTNESS WAS APPLIED DURING THE GENERATION RUN WHICH CREATED THE PROJECTED 1972 HALF-SAMPLE. HENCE, THE 1972 EXTRAPOLATED DATA REFLECTED THE APPLICATION OF THIS PROVISION OF THE TAX LAW ALTHOUGH THE CODING FOR THE LIMITATION ON INTEREST FROM INVESTMENT INDEBTNESS DOES NOT APPEAR IN THE TAX MODEL PROGRAM SOURCE.

(11) IN THE PAST, IT WAS SOMETIMES DESIRABLE TO HAVE THE EXCESS OF MEDICAL INSURANCE PREMIUMS OVER THE $150 LIMITATION AS A SEPERATE ENTITY. ALTHOUGH THIS QUANTITY CANNOT BE DETERMINED EXACTLY, THE FOLLOWING

APPROXIMATION WAS EMPLOYED TO RECONSTRUCT AN ESTIMATE OF THIS EXCESS.

MIP = FULL AMOUNT OF MEDICAL INSURANCE PREMIMUMS
HMIP= 1/2 OF MIP (THIS IS A DATA ITEM AND LIMITED TO A MAXIMUM OF $150)
EMIP= EXCESS MEDICAL INSURANCE PREMIMUMS
MD3 = MEDICAL AND DENTAL IN EXCESS OF 3% OF AGI (THIS IS A DATA ITEM)
MD1 = MEDICINE AND DRUGS IN EXCESS OF 1% OF AGI (THIS IS A DATA ITEM)
MD1*= MEDICINE AND DRUGS
MD3*= MEDICAL AND DENTAL

```
MIP=2.0*(HMIP)

                +--
                I 0.0
                I              +--
                I              I 0.50*(MIP)
EMIP = MAX <  MIP - MIN <
                I              I 150.0
                I              +--
                +--

MD3* = MD3 + 0.03*(AGI) - MD1 - EMIP    IF MD3 > 0
MD1* = MD1 + 0.01*(AGI)                 IF MD1 > 0
```

11.1.4. TECHNICAL CHANGES.

(1) SUBRROUTINES INPUT1, INPUT2, AND INPUT3 HAVE BEEN REPROGRAMMED. THEY NOW OCCUPY LESS STORAGE AND EXECUTE IN LESS TIME. IN ADDITION, SUBROUTINES INPUT1, INPUT2, AND INPUT3 CONTAIN INSTRUCTIONS WHICH WILL BYPASS THE INPUT DATA CHECK.

(2) A NEW SUBROUTINE HAS BEEN ADDED TO PHASE I. SUBROUTINE ERROR HANDLES THE PROCESSING OF DATA CHECK INTERRUPTS AND OUTPUTS DIAGONISTIC MESSAGES TO THE PRINT FILE.

(3) SUBROUTINE BLOWUP/70 HAS BEEN MODIFIED TO INPUT ALL EXOGENOUS DATA EMPLOYED IN EXTRAPOLATING THE TAX MODEL SAMPLE FROM DISK STORAGE. IN THE PREVIOUS VERSION OF BLOWUP/70, PART OF THE DATA WAS READ FROM DISK STORAGE AND THE REMAINDER WAS INSERTED WITH 'DATA' STATEMENTS.

(4) THE B OPTION HAS BEEN ADDED TO THE @MAP DIRECTIVE

IN XQT70. THIS MEANS THAT CORE WILL NOT BE ZERO FILLED BEFORE INSERTING THE TAX MODEL PROGRAM. THIS, HOWEVER, SAVES PROCESSING TIME.

(5) AS A RESULT OF (4) ABOVE, ADDITONAL INSTRUCTIONS HAVE BEEN ADDED TO SUBROUTINES MAIN2, TAB3, TAB4, TAB6, AND TAB7 TO INSURE THAT ALL OUTPUT ARRAYS AND WORKING STORAGE ARRAYS ARE ZERO FILLED.

11.2. USER NOTE NUMBER 2: REVISION A OF VERSION 3.

VERSION 3 OF THE TAX MODEL PROGRAM HAS BEEN MODIFIED TO--

(A) REDUCE THE CPU RUNNING TIME,
(B) REDUCE THE WALL CLOCK RUNNING TIME, AND
(C) ELIMINATE SCHEDULING PROBLEMS THAT ARISE WHEN THE OPTIONAL OUTPUT TABLES ARE REQUESTED.

EACH MODIFICATION WAS A TECHNICAL CHANGE AND IS BRIEFLY DOCUMENTED BELOW.

11.2.1. TECHNICAL CHANGE.

(1) SUBROUTINE INDEX HAS BEEN REPLACED WITH AN ASSEMBLY LANGUAGE COUNTERPART. THIS MODIFICATION RESULTED IN A 10% REDUCTION IN CPU TIME OR A SAVINGS OF 27 SECONDS PER TAX CALCULATION.

(2) SUBROUTINE MCORE FUNCTIONS TO DYNAMICALLY ALLOCATE ADDITIONAL CORE STORAGE FOR THE OPTIONAL OUTPUT TABLES. WHEN THE REQUEST FOR MORE STORAGE IS MADE, THE REQUEST WILL NOT BE ACCEPTED BY THE SUPERVISOR UNLESS THERE EXISTS AVAILABLE STORAGE IN THE DBANK CONTIGUOUS WITH THE USER'S DBANK. IF THE REQUESTED AMOUNT OF STORAGE IS LARGE AND THE COMPUTER SYSTEM IS HEAVILY LOADED, THE REQUESTED STORAGE WILL NOT BE AVAILABLE AND THE TAX MODEL PROGRAM WILL BE SWAPPED OUT UNTIL THE REQUESTED AMOUNT BECOMES AVAILABLE, WHICH MAY BE SEVERAL HOURS LATER. A PREVIOUS PROGRAMMING ERROR IN MCORE CAUSED REQUESTS TO BE MADE FOR APPROXIMATELY 40K OF ADDITIONAL STORAGE REGARDLESS OF THE AMOUNT NEEDED BY THE OPTIONAL OUTPUT TABLES. THIS RESULTED IN THE TAX MODEL PROGRAM BEING SWAPPED OUT AND RECHEDULED AT A LATER TIME WHEN 40K OF CONTIGUOUS STORAGE WAS AVAILABLE IN THE DBANK. SUBROUTINE MCORE HAS BEEN REPLACED WITH A CORRECTED VERSION. THE NEW VERSION HAS THE ADDED FEATURE OF ZEROING ANY ADDITIONAL STORAGE THAT IT REQUESTS AND OBTAINS.

(3) ONE OF THE FACTORS WHICH DETERMINES THE WALL CLOCK TIME FOR A TAX MODEL RUN IS SCHEDULING. A PROGRAM CANNOT BE SCEHDULED FOR EXECUTION UNLESS THERE EXISTS AVAILABLE CORE LARGE ENOUGH TO ACCOMMODATE THE PROGRAM.

IT WAS DISCOVERED THAT THE PHASE III OVERLAY OF THE TAX MODEL PROGRAM REQUIRED APPROXIMATELY 40K OF STORAGE IN ORDER TO EXECUTE. BY MODIFYING VIRTUALLY EVERY SUBROUTINE IN PHASE III, SUBROUTINE MAIN2 IN PHASE II, AND THE @MAP DIRECTIVES IN XQT72, THE STORAGE NECESSARY TO EXECUTE PHASE III WAS REDUCED TO 24K. CONSEQUENTLY, THE TAX MODEL PROGRAM CAN BE SCHEDULED MORE FREQUENTLY WITH A CORRESPONDING REDUCTION IN THE WALL CLOCK TIME.

(4) IN ORDER TO REDUCE THE CPU TIME FURTHER, THE FOLLOWING CHANGES WERE MADE:

(A) INPUT2 WAS PERMANENTLY MODIFIED TO REFLECT 1972 LAW,

(B) DATA STATEMENTS WERE ADDED TO SUBROUTINE INPUT2 TO INITIALIZE THE PLAN Y TAX PARAMETERS TO THEIR 1972 VALUES,

(C) THE OLD SUBROUTINE INPUT2, AS MODIFIED BY (A) AND (B), WAS STORED IN AN ELEMENT NAMED INPUT2/72,

(D) THE STATEMENTS IN SUBROUTINE INPUT3 WHICH EQUATE THE PLAN X AND THE PLAN Y PARAMETERS WERE DELETED SINCE THIS IS NOW ACCOMPLISHED BY (B),

(E) XQT70 WAS MODIFIED TO INCLUDE ONLY INPUT2/72 AT COLLECTION, AND

(F) THE OLD XQT70, AS MODIFIED BY (E), WAS PUT IN AN ELEMENT NAMED XQT72.

AS A RESULT OF THESE CHANGES, IT IS NO LONGER NECESSARY TO INCLUDE THE @ADD LAW72 CONTROL STATEMENT IN THE TAX MODEL RUN CONTROL STREAM SINCE INPUT2/72 HAS ALREADY BEEN MODIFIED TO REFLECT 1972 LAW. IN ADDITION, INPUT2 DOES NOT HAVE TO BE RECOMPILED EACH TIME A TAX MODEL RUN IS MADE. THE CONTROL STATEMENT @ADD XQT70, WHICH WAS PREVIOUSLY LOCATED FOLLOWING THE @ADD LAW72 STATEMENT, IS NOW PUNCHED AS @ADD XQT72.

```
          OLD VERSION                          NEW VERSION
@RUN TARW02,TARW,VER3,5,100          @RUN TARW02,TARW,VER3,5,100
.  .  .                              .  .  .
.  .  .                              .  .  .
.  .  .                              .  .  .
@ADD LAW72                           @ADD XQT72
@ADD XQT70
   1   0   0                            1   0   0
.  .  .                              .  .  .
.  .  .                              .  .  .
.  .  .                              .  .  .
@FIN                                 @FIN
```

SIMILARLY, AN INPUT2/71 AND AN INPUT2/70 HAVE BEEN CREATED TO REFLECT 1971 LAW AND 1970 LAW RESPECTIVELY. THERE ALSO EXISTS AN XQT71 AND AN XQT70 TO COLLECT

THE APPROPRIATE VERSION OF INPUT2.

11.3. USER NOTE NUMBER 3: REVISION B OF VERSION 3.

VERSION 3 OF THE TAX MODEL PROGRAM HAS BEEN MODIFIED ONCE AGAIN. THE MODIFICATIONS ARE A TECHNICAL CHANGE AND REDUCE THE CPU RUNNING TIME.

11.3.1. TECHNICAL CHANGE.

(1) THE PROJECTED 1974 TAX MODEL DATA BASE HAS BEEN RECREATED USING A NEW PACKING PROGRAM. THIS NEW PACKING SUBROUTINE IS MORE EFFICIENT AND PACKS THE DATA IN LESS SPACE THAN BEFORE. IN ADDITION, EACH BLOCK CONSISTS OF 1792 WORDS. THIS MAKES THE DATA FILE TRANSPARENT IN THAT ONE MAY COPY THE FILE FROM DISK TO TAPE AND VICE VERSA WITHOUT ANY COMPLICATIONS.

(2) OBVIOUSLY, A NEW PACKING ROUTINE NECESSITATES A NEW UNPACKING ROUTINE. THE TAX MODEL PROGRAM NOW CONTAINS AN ASSEMBLY LANGUAGE SUBROUTINE UNPKER. SUBROUTINE SAMPLE WAS MODIFIED TO EXPAND THE INPUT ARRAYS TO 1792 WORDS AND TO READ A 1792 WORD HEADER LABEL. THESE MODIFICATIONS HAVE REALIZED A SAVINGS OF 40 SECONDS OF CPU TIME ON A ONE TAX CALCULATION SIMULATION. THE NEW UNPKER SUBROUTINE AND THE NEW INDEX SUBROUTINE TOGETHER REALIZE A SAVINGS OF 67 SECONDS OF CPU TIME ON A ONE TAX CALCULATION SIMULATION.

(3) THE OLD VERSIONS OF SUBROUTINE UNPKER AND SAMPLE ARE STILL RESIDENT IN THE TAX MODEL PROGRAM FILE UNDER THE ELEMENT NAMES OF .UNPKERO AND .SAMPLEO.

11.4. USER NOTE NUMBER 4: REVISION C OF VERSION 3.

VERSION 3 OF THE TAX MODEL PROGRAM HAS BEEN MODIFIED TO PERMIT THE STORING OF PRE-SELECTED RESULTS FROM TABLE 1A AND TABLE 5. IN ORDER TO EXCERCISE THIS FEATURE, THE USER MUST (A) SUPPLY THE 130-133 INPUT CARDS DOCUMENTED ON PAGE 6.21A AND (B) MODIFY HIS RUN STREAM AS SHOWN IN FIGURE 6.3.2 ON PAGE 6.54.

BY EMPLOYING THE TAX MODEL TABLEMAKER PROGRAM, THE USER CAN ACCESS THE RESULTS OF PAST TAX MODEL RUNS OR CURRENT TAX MODEL RUNS. DOCUMENTATION ON THE USE OF THE TAX MODEL TABLEMAKER PROGRAM MAY BE OBTAINED FROM WALT STROMQUIST IN THE OFFICE OF TAX ANALYSIS, TREASURY DEPARTMENT.

11.5. USER NOTE NUMBER 5: REVISION D OF VERSION 3.

REVISION D TO THE TAX MODEL PROGRAM COVERS PREDOMINATELY THOSE CHANGES ASSOCIATED WITH THE EXTRAPOLATION TO 1975 LEVELS. HOWEVER, A NUMBER OF OTHER CHANGES NOT ASSOCIATED WITH THE 1975 EXTRAPOLATION WERE ALSO MADE. THIS NOTE BRIEFLY DOCUMENTS EACH CHANGE OF REVISION D. IN THE DOCUMENTATION BELOW, EACH CHANGE IS SUBCLASSIFIED AS A CORRECTION, AN INPUT CHANGE, AN OUTPUT CHANGE, A TECHNICAL CHANGE, OR A COMPUTATIONAL CHANGE. HENCE, THE USER CAN READ THOSE SUBSECTIOBNS WHICH CORRESPOND TO HIS DEGREE OF INVOLVEMENT WITH THE TAX MODEL.

11.5.1. CORRECTIONS.

(1) SUBROUTINE INPUT3 HAS BEEN CORRECTED SO THAT THE DEDUCTIONS MATRIX IS PROPERLY INITIALIZED WHEN PLAN Z IS SPECIFIED.

(2) SUBROUTINE MAIN2 HAS BEEN CORRECTED SO THAT THE AMOUNT OF CAPITAL GAINS TAXED UNDER THE ALTERNATIVE TREATMENT IS STORED PROPERLY.

(3) SUBROUTINE MAPIN/70 HAS BEEN CORRECTED SO THAT PREFERENCE INCOME IS PROPERLY CALCULATED.

11.5.2. INPUT CHANGES.

(1) LOGIC SWITCH NUMBER 2 ON THE 110 CARD HAS BEEN ACTIVATED TO CONTROL THE MAP PROCESS. IF LOGIC SWITCH NUMBER 2 IS SET EQUAL TO 1, SUBROUTINE MAPIN/70 WILL BE CALLED BY SUBROUTINE SAMPLE. THIS CHANGE ALLOWS THE USER TO READ A MAPPED AND PACKED SAMPLE IN THE BASE YEAR, WITHOUT PROGRAM MODIFICATIONS, BY SETTING LOGIC SWITCH NUMBER 2 EQUAL TO ZERO.

(2) LOGIC SWITCH NUMBER 7 ON THE 110 CARD HAS BEEN EXPANDED TO ALLOW THE USER THE CAPABILITY OF EMPLOYING SEVERAL OPTIONAL AGI CLASS BREAKPOINTS AUTOMATICALLY. THIS IS DOCUMENTED IN TABLE 6.1.1 AND TABLE 6.1.9 OF CHAPTER 6.

11.5.3. OUTPUT CHANGES.

(1) A FORTRAN PREPROCESSOR PROGRAM, NAMED COVERP, HAS BEEN ADDED TO THE TAX MODEL PROGRAM. TO USE COVERP, THE USER MUST REARRANGE HIS INPUT CONTROL STREAM AS SHOWN BELOW.

```
@ELT,IDN TPFS.TMDATA,,ENDL
   1   3   0       1234
   1   3   1EXAMPLE RUN 1234
   1   3   2EXAMPLE DETAIL: LINE 1
   1   3   3EXAMPLE DETAIL: LINE 2
@END ENDL
@XQT COVERP
19751974
@ADD TMDATA
@ELT,IDL TPFS.CSLIST,,ENDL
@FCR,S MAIN2,MAIN2
-51,56
@ADD XQT75
   1   0   0    1970   47650    1975
   1   1   0          0             1
@ADD TMDATA
   2   1   1PLAN X = 1974 LAW AT 1975 LEVELS
   3   1   1PLAN Y =PLAN X
   3  99   1
@END ENDL
@ADD CSLIST
@ASG,Ax STORE*ESTIMATES.
@ELT,IDN STORE*ESTIMATES.RUN1234,,FIN
@ADD,D 14.
@END FIN
@FREE STORE*ESTIMATES.
@SYM PRINTS,,RMEXTR
@BRKPT PRINTS
```

THE PROGRAM COVERP WILL PRODUCE TWO COVER PAGES, SIMILAR TO THE ONE SHOWN IN FIGURE 2, PRIOR TO THE NORMAL TAX MODEL PRINTOUT.

```
  11          222222          333333              444
 111        2222222222      3333333333           4444
1111       222      222    333      333         44444
  11       22       222    33        33        444 44
  11              222                33       444  44
  11            222               333        444   44
  11          222                 333       444    44
  11        222                      33    44444444444
  11       222            33        33    444444444444
  11       222            333      333             44
111111     222222222222    3333333333              44
111111     222222222222      333333                44
```

```
*****************************************************************
*                                                               *
*     **TREASURY TAX MODEL: VERSION 4;FEBRUARY 1976**           *
*                                                               *
*       RUN NUMBER 1234  : DATE 021276: TIME 114236             *
*                                                               *
*                                                               *
*  DESCRIPTION OF TAX MODEL RUN:                                *
*  PROJECTED LEVEL = 1975                                       *
*  TAX LAW         = 1974                                       *
*  EXAMPLE RUN 1234                :                            *
*  EXAMPLE DETAIL: LINE 1                                       *
*  EXAMPLE DETAIL: LINE 2                                       *
*                                                               *
*  OFFICE OF THE SECRETARY OF THE TREASURY                      *
*  OFFICE OF TAX ANALYSIS                                       *
*                                                               *
*****************************************************************
```

Fig. 11.5.1: Example Cover Page

11.5.4. TECHNICAL CHANGES.

(1) SEVERAL CHANGES HAVE BEEN MADE TO SUBROUTINE SAMPLE.
   (A) THE VARIABLES NWRDR AND NBLKT ARE NO LONGER EQUIVALENCED TO POSITIONS 3 AND 5 OF THE VARIABLE INLAB. INLAB(3) AND INLAB(5) ARE MOVED INTO THESE VARIABLES AND INLAB IS EQUIVALENCED TO MG. THIS SAVES 1792 WORDS OF CORE.
   (B) THE RECORD LENGTH FOR IREC HAS BEEN INCREASED TO 124 WORDS.
   (C) SINCE THE WEIGHTS ON THE REVISED TAX MODEL HALF SAMPLE DIFFER FOR EACH RETURN, AN ADDITIONAL SECTION OF CODE HAS BEEN ADDED TO BYPASS A TABLE-LOOK-UP OF THE RETURN'S WEIGHT WHEN THE REVISED HALF SAMPLE IS USED.

(2) SUBROUTINE BLOWUP/70 CONTAINS AN ADDITONAL SECTION OF CODE THAT IS EMPLOYED TO EXTRAPOLATE THE REVISED TAX MODEL SAMPLE TO 1975 LEVELS.

(3) A NEW SOUBROUTINE, CONDEN, CONDENSES THE ROW AND THE COLUMN SUBSCRIPTS EMPLOYED IN SUBROUTINE BLOWUP/70 IN THE 1975 EXTRAPOLATION PROCESS.

(4) SUBROUTINE MAPIN/70 CONTAINS ADDITONAL CODING NECESSARY TO THE COMPUTATIONAL CHANGES AT 1975 LEVELS.

(5) A NEW VARIABLE, LEVEL, HAS BEEN ADDED TO COMMON IN THE PROC CSAVE2. THIS VARIABLE MUST BE SET EQUAL TO 1975 IF THE USER WISHES TO EXTRAPOLATE THE REVISED 1970 TAX MODEL HALF-SAMPLE TO 1975 LEVELS. FAILURE TO SET LEVEL=1975 WILL RESULT IN AN ERROR TERMINATION BECAUSE THE CODING FOR THE 1974 EXTRAPOLATION WILL BE USED.

(6) THE VARIABLE LAW IS NO LONGER INITIALIZED IN SUBROUTINE TXCALC AND HAS BEEN MOVED TO COMMON IN THE PROC CSAVE2.

(7) A NEW VARIABLE, NPL, HAS BEEN ADDED TO COMMON IN THE PROC CSAVE1 AND IS INITIALIZED IN SUBROUTINE INPUT2/. NPL IS SET EQUAL TO THE LAST TWO DIGITS OF THE YEAR OF THE TAX LAW THAT SUBROUTINE INPUT2 REFLECTS, E.G. INPUT2/72 HAS NPL=74.

(8) IN SUBROUTINE MAIN2, THE VARIABLE NEXT IS NO LONGER

SET EQUAL TO 0 VIA AN ARITHMETIC STATEMENT BUT IS INITIALIZED IN A DATA STATEMENT. IN PLACE OF THE STATEMENT NEXT=0, THE VARIABLE LAW IS SET EQUAL TO NL.

(9) EACH OF THE ADD ELEMENTS XGT70, XGT71, XGT72 AND THE NEW ELEMENT XGT75 HAVE BEEN MODIFIED TO--
(A) IN THE APPROPRIATE SAMPLE AND UNPKER ROUTINES AND NOT THE INAPPROPRIATE SAMPLE AND UNPKER ROUTINES,
(B) REMOVE THE B OPTION ON THE @MAP DIRECTIVE, AND
(C) IN THE APPROPRIATE INPUT2 ROUTINE AND NOT ALL OTHER INPUT2 ROUTINES.
THE ADDING OF AN XGT ELEMENT WILL AUTOMATICALLY INSURE THAT THE APPROPRIATE LAW IS IN THE TAX MODEL, E.G. @ADD XGT75 WILL INITIALIZE ALL TAX PARAMETERS AT 75 LAW AND EXECUTE ONLY THOSE PORTIONS OF TXCALC THAT REFLECT 1975 LAW. @ADD XGT72 DOES THE SAME FOR 1974 LAW.

11.5.5. COMPUTATIONAL CHANGES.

(1) THE FANCY DETERMINATION OF THE DIVIDEND EXCLUSION USED IN THE 1974 EXTRAPOLATION WAS SCRAPPED FOR THE 1975 EXTRAPOLATION. THE DIVIDEND EXCLUSION FOR 1975 EQUALS THE DIVIDEND EXCLUSION FOR 1970.

(2) THE CEILING APPLIED TO MOVING EXPENSES ($2500*DMFS) IN THE 1974 EXTRAPOLATION WAS NOT APPLIED IN THE 1975 EXTRAPOLATION.

(3) A NEW INPUT2 SUBPROGRAM FOR 1975 LAW WAS CREATED AND HAS AN ELEMENT NAME OF INPUT2/75.

(4) SUBROUTINE TXCALC WAAS MODIFIED TO INCORPORATE THE EARNED INCOME CREDIT OF H.R. 2166. THIS SECTION OF CODE IS EXECUTED WHEN THE VARIABLE LAW=1975, THIS OCCURS WHEN XGT75 IS 'ADDED'.

(5) A NEW SECTION OF SOURCE CODE HAS BEEN ADDED TO SUBROUTINE MAPIN/70. THIS CODING REDUCES THE AMOUNT OF NET LONG TERM CAPITAL LOSSES AND IS EXECUTED FOR THE 1975 EXTRAPOLATION ONLY, I.E. WHEN LEVEL=1975.

11.6. USER NOTE NUMBER 6: VERSION 4 OF THE TAX MODEL.

VERSION 4 OF THE TAX MODEL PROGRAM COVERS PREDOMINATELY THOSE CHANGES ASSOCIATED WITH IMPLEMENTING THE 1973 DATA BASE. HOWEVER, A NUMBER OF OTHER CHANGES NOT ASSOCIATED WITH IMPLEMENTING THE 1973 DATA BASE WERE ALSO MADE. THIS NOTE BRIEFLY DOCUMENTS EACH CHANGE OF VERSION 4. IN THE DOCUMENTATION BELOW, EACH CHANGE IS SUBCLASSIFIED AS A CORRECTION, AN INPUT CHANGE, AND OUTPUT CHANGE, A TECHNICAL CHANGE, OR A COMPUTATIONAL CHANGE. HENCE, THE USER CAN READ THOSE SUBSECTIONS WHICH CORRESPOND TO HIS DEGREE OF INVOLVEMENT WITH THE TAX MODEL.

11.6.1. CORRECTIONS.

(1) THE FIRST NEGATIVE (-) SIGN ON LINE 71 OF SUBROUTINE TABLES HAS BEEN CHANGED TO A PLUS (+) SIGN.

11.6.2. INPUT CHANGES.

(1) LOGIC SWITCH NUMBER 1 HAS BEEN DEACTIVATED. THIS SWITCH NO LONGER CONTROLS THE EXTRAPOLATION OF THE LEVEL OF INCOME AND DEDUCTION ITEMS. THE EXTRAPOLATION PROCESS IS A STAND-ALONE PROGRAM.

(2) LOGIC SWITCH NUMBER 2 HAS BEEN DEACTIVATED. THIS SWITCH NO LONGER CONTROLS THE MAP PROCESS BECAUSE THE MAPPING PROCESS IS NO LONGER IN THE TAX MODEL PROGRAM. THE MAPPING PROCESS IS A STAND-ALONE PROGRAM.

(3) LOGIC SWITCH NUMBER 4 NO LONGER REQUIRES THAT A 128 CARD BE READ OR THAT THE LABEL CARDS BE ADDED EXPLICITLY IN THE INPUT CONTROL STREAM. THESE FUNCTIONS ARE AUTOMATICALLY PERFORMED BY THE PROGRAM.

(4) LOGIC SWITCH NUMBER 9 HAS BEEN EXPANDED TO MAKE THE DEFAULT DEFINITION OF ADJUSTED GROSS INCOME THAT OF PRESENT LAW INSTEAD OF PLAN X. (SEE TABLE 6.2.1 FOR FURTHER DETAILS).

(5) LOGIC SWITCH NUMBER 18 HAS BEEN ACTIVATED TO CONTROL THE CALCULATION OF PLAN X. IF LOGIC SWITCH NUMBER 18 IS SET EQUAL TO 1, PLAN X WILL BE CALCULATED. (SEE TABLE

6.2.1 FOR FURTHER DETAILS).

(6) LOGIC SWITCH NUMBER 19 HAS BEEN ACTIVATED TO ALLOW THE USER TO PRODUCE BURDEN TABLES WITH THE PRE-SET OPTIONS BY SETTING THIS SWITCH EQUAL TO 1. IF LOGIC SWITCH NUMBER 19 IS SET EQUAL TO 2, THE BURDEN TABLES WILL BE PRODUCED WITH THE USER SUPPLIED OPTIONS. (SEE TABLE 6.2.1 AND SECTION 8.6 FOR FURTHER DETAILS)

(7) SUBROUTINE INPUT2 HAS AN ADDITIONAL FEATURE. IF THE TITLE READ FROM THE 311 CARD IS BLANK, THEN THE TITLE USED ON THE 131 CARD IS INSERTED FOR THE PLAN Y TITLE CARD.

(8) THE 100 CARD HAS BEEN REPLACED BY A NEW DATA CARD CALLED THE 'SAMPLE' CARD. SEE SECTION 6.2.1 FOR FURTHER DETAILS.

11.6.3. OUTPUT CHANGES.

(1) SUBROUTINE MAIN3 HAS BEEN MODIFIED TO INCREASE THE STORAGE ARRAY OF TABLE 4 TO INCORPORATE NET CASUALTY OR THEFT LOSS IN THIS TABLE.

(2) SUBROUTINE TAB4 HAS BEEN MODIFIED TO ADD THE ADDITIONAL COLUMN FOR NET CASUALTY OR THEFT LOSS.

(3) SUBROUTINE SHOREC HAS BEEN REWRITTEN TO ACCOMODATE THE MAPPED 1973 DATA BASE.

(4) A NEW SUBROUTINE LSWOUT HAS BEEN ADDED TO PHASE II. SUBROUTINE LSWOUT PROVIDES A DESCRIPTIVE PRINTOUT OF THE CONTENTS OF THE LOGIC SWITCHES.

(5) A NEW PROGRAM, UPDATE, HAS BEEN ADDED TO THE TAX MODEL. THIS PROGRAM AND THE CONTROL STATEMENTS BELOW WILL AUTOMATICALLY UPDATE THE TABLEMAKER DIRECTORY.

```
@XQT UPDATE
@ADD STORE*ESTIMATES.RUNXXXX
@ELT,IUN STORE*ESTIMATES.DIRECTORY,,FIN
@ADD,D 16.
@END FIN
```

11.6.4. TECHNICAL CHANGES.

(1) THE PROCS 'CSAVE1' AND 'CSAVE2' HAVE BEEN MODIFIED TO MAKE THE VARIABLE TY AN INTEGER.

(2) THE PROC 'CSAVE1' HAS ALSO BEEN MODIFIED TO ADD A NEW COMMON CALLED PHASE2. THIS COMMON CONTAINS INFORMATION NECESSARY TO THE PRINTOUT OF THE DATA ITEMS ON INDIVIDUAL TAX RETURNS.

(3) THE PROC 'CSAVE2' HAS BEEN COMPLETELY REWRITTEN TO FACILITATE THE 1973 PERSONAL INDIVIDUAL INCOME TAX DATA BASE.

(4) SUBROUTINE MAIN2 HAS BEEN CHANGED TO INCREASE THE THE SIZE OF THE ARRAY 'T4' IN ORDER TO INCORPORATE AN ADDITIONAL COLUMN IN TABLE 4.

(5) SUBROUTINE MAIN2 HAS ALSO BEEN MODIFIED TO DELETE ALL THE OLD CODING ASSOCIATED WITH THE PRINTOUT OF INDIVIDUAL TAX RETURNS.

(6) SUBROUTINE SAMPLE HAS BEEN MODIFIED TO READ PACKED AND MAPPED DATA BASES ONLY. CONSEQUENTLY, THE CALL STATEMENTS TO SUBROUTINE MAPIN HAVE BEEN DELETED. IN ADDITION, THE COLLECTION OF STATISTICS FOR TABLE 3 ARE NOW ACCUMULATED IN THE ARRAY AT3 INSTEAD OF THE LAST STORAGE LOCATIONS OF THE ARRAY D.

(7) ALL VERSIONS OF SUBROUTINE INPUT2 HAVE BEEN DELETED AND REPLACED WITH BLOCK DATA SUBROUTINES. IN VERSION 3 OF THE TAX MODEL PROGRAM, THE VARIOUS TAX PARAMETERS, WHICH ARE STORED IN LABELED COMMON, WERE INITIALIZED IN SUBROUTINE INPUT2 VIA DATA STATEMENTS. ALTHOUGH THIS TECHNIQUE IS ALLOWED BY UNIVAC FORTRAN AND DID WORK IN THE PAST, IT IS A QUESTIONABLE CODING TECHNIQUE ESPECIALLY WHEN THE PROGRAM IS EXECUTED VIA MULTIPLE OVERLAYS. THIS IS EVIDENT FROM THE FACT THAT VERSION 4 OF THE TAX MODEL PROGRAM DID NOT WORK WITHOUT THE BLOCK DATA CONVERSION.

(8) DUE TO (7) ABOVE, ALL XQT ELEMENTS WERE MODIFIED TO REMOVE REFERENCES TO INPUT2 AND ADD THE APPROPRIATE REFERENCE FOR THE BLOCK DATA SUBROUTINE. IN ADDITION, A NOT COVERP STATEMENT WAS INSERTED AT THE BEGINNING OF THE ELEMENT.

(9) A NEW GENERALIZED SUBROUTINE UNPKER HAS BEEN ADDED TO THE TAX MODEL PROGRAM. THIS ROUTINE IS NO LONGER LIMITED TO UNPACKING DATA RECORDS OF 144 WORDS OR LESS (SEE APPENDIX 5.8 FOR FURTHER DETAILS).

11.6.5. COMPUTATIONAL CHANGES.

(1) TWO NEW BLKDATA SUBROUTINES, BLKDATA/73 AND BLKDATA/76, HAVE BEEN CONSTRUCTED TO REFLECT THE 1973 AND THE 1976 TAX LAW TAX LAW RESPECTIVELY.

(2) SUBROUTINE MAIN2 HAS BEEN MODIFIED TO MAKE THE CALCULATION OF PLAN X DEPENDENT ON LOGIC SWITCH NUMBER 18. IN ADDITION, LOGIC SWITCH NUMBER 19 WILL GENERATE BURDEN TABLES AND AUTOMATICALLY SETS LOGIC SWITCH NUMBER 18 TO CALCULATE PLAN X.

(3) SUBROUTINE TXCALC HAS BEEN COMPLETELY REWRITTEN TO EMPLOY THE 1973 PERSONAL INDIVIDUAL INCOME TAX DATA. (SEE APPENDIX A OF CHAPTER 5 FOR FURTHER DETAILS). IN ADDITION, THE SHELTERED PORTION OF EXLCUDED LONG TERM CAPITAL GAINS IS NO LONGER BACKED OUT OF THE VARIABLE CGAGI.

(4) SUBROUTINE DEDUCT HAS BEEN REWRITTEN TO SIMPLIFY THE COMPLEX CALCULATION OF THE STANDARD DEDCUTION INSTITUTED BY THE 1969 TAX LAW ACT. IN ADDITION, CODING HAS BEEN INSERTED TO PERMIT THE CALCULATION OF BURDEN TABLES. FURTHERMORE, SUBROUTINE DEDUCT HAS BEEN MODIFIED TO ALLOW FOR THE DEDUCTION TYPES SHOWN BELOW:

IDED	TYPE OF DEDUCTION	DEDUCTIONS EQUALS	ALLOWED TO SWITCH TYPE	AFFECTED BY DEFINITION OF DEDUCTIONS
-1	PERMANENT ITEMIZER WO/DETAIL	D(18)	YES	NO
0	PERMANENT ITEMIZER W/DETAIL	SUM	NO	YES
1	ITEMIZER	SUM	YES	YES
2	STANDARD	STAN	YES	NO

SUBROUTINE TABLES, HOWEVER, ALLOWS FOR ONLY TWO DEDUCTION TYPES, STANDARD AND ITEMIZED. THIS IS ACCOMPLISHED BY THE STATEMENT JD = MAX0(IDED, 1).

(5) SUBROUTINE TABLES HAS BEEN MODIFIED TO ACCUMULATE AN ADDITIONAL COLUMN FOR TABLE 4, NET CASUALTY OR THEFT LOSS.

(6) TWO NEW SUBROUTINES, BURSET AND BURTAB, HAVE BEEN ADDED TO THE TAX MODEL PROGRAM TO PERMIT THE CALCULATION OF BURDEN TABLES.

(7) FOUR NEW SUBROUTINES, TABOUT/VER3, HEAD/VER3, CENTER/VER3, AND NERROR/VER3 HAVE BEEN ADDED TO THE TAX MODEL PROGRAM TO PERMIT THE OUTPUT OF GENERALIZED TABLES. SEE CHAPTER 8 SECTION 7 FOR DETAILS ON THE USAGE OF THESE ROUTINES.

11.7. USER NOTE NUMBER 7: VERSION 5 OF THE TAX MODEL

VERSION 5 OF THE TAX MODEL PROGRAMS CONTAINS MANY CHANGES WHICH ARE DESIGNED TO ENHANCE THE EXECUTION TIME AND USEFULNESS OF THE MODEL. IN ADDITION, THE TAX CALCULATOR HAS BEEN REVISED TO REFLECT 1977 LAW. THIS NOTE BRIEFLY DOCUMENTS EACH CHANGE OF VERSION 5. IN THE DOCUMENTATION BELOW, EACH CHANGE IS SUBCLASSIFIED AS A CORRECTION, AN INPUT CHANGE, AN OUTPUT CHANGE, A TECHNICAL CHANGE, OR A COMPUTATIONAL CHANGE. HENCE, THE USER CAN READ THOSE SUBSECTIONS WHICH CORRESPOND TO HIS DEGREE OF INVOLVEMENT WITH THE TAX MODEL.

11.7.1. CORRECTIONS.

(1) THE OPTIONAL TAXABLE INCOME CREDIT WAS AT ONE TIME INCORRECT FOR MARRIED FILING SEPARATE. THIS WAS CORRECTED.

(2) THE PARTIAL REPLACEMENT OF TAX RATE SCHEDULES DID NOT ALWAYS WORK PROPERLY. THIS WAS CORRECTED BY VIRTUE OF OTHER PROGRAMMING CHANGES IN PHASE I.

(3) THE INABILITY OF THE TAX FUNCTION TO ACCEPT A MARGINAL RATE OF 100% HAS BEEN CORRECTED.

(4) THE OMISSION OF THE EIC IN THE BURDEN TABLES ROUTINES HAS BEEN CORRECTED.

11.7.2. INPUT CHANGES.

(1) LOGIC SWITCH NUMBER 15 HAS BEEN ACTIVATED TO CONTROL THE SOURCE,IE PLAN X OR PLAN Y, DEFINITION OF THE CALCULATIONS IN TABLE 6.

(2) THE FORMAT FOR ALL DATA CARDS BEGINNING WITH THE 211 CARD AND GOING THROUGH THE 3 99 1 CARD HAVE CHANGED. (SEE CHAPTER 6 FOR DETAILS).

11.7.3. OUTPUT CHANGES.

(1) THE OLD TABLE 6 HAS BEEN REPLACED WITH A NEW TABLE 6. (SEE CHAPTER 7 FOR DETAILS).

(2) THE PRINTOUT OF THE LOGIC SWITCHES THAT USED TO APPEAR IN PHASE II NOW APPEAR WITH THE OTHER INPUT PARAMETERS IN PHASE I.

11.7.4. TECHNICAL CHANGES

(1) THE PDP PROCS -CSAVE1 AND CSAVE3- HAVE BEEN MODIFIED TO DELETE R6S, N6S AND T6X. T6S IS DIMENSIONED (4) AND MADE AN INTEGER. T6R(50,3) HAS BEEN ADDED

(2) IN PROGRAM -MAIN1- THE CALL TO -SWEEP- WAS REPLACED WITH THE ACTUAL CODE (SEE ITEM (5)).

(3) -INPUT2- WAS CHANGED TO ALLOW ROUNDING OF COMPUTED MARGINAL RATES TO 3 DECIMAL PLACES.

(4) -LSWOUT- CHANGED TO SPECIFY LOGIC(15) AS A PARAMETER TO TABLE SIX

(5) DELETED FROM -SWEEP- ALL REFERENCES TO TABLE 6. DELETED -SWEEP- ENTIRELY AS CODE WAS MOVED TO -MAIN1-.

(6) CHANGED -MAIN2- TO CALCULATE NEW STORAGE AREAS FOR TABLE 6. ALL REFERENCES IN ALL PROGRAMS CHANGED TO REFLECT NEW DIMENSIONS OF TABLE 6 AND ITS WORK AREAS.

(7) CHANGED -TABLES- TO NEW DIMENSIONS FOR TABLE6 AND REPLACED OLD TAB6 UPDATE PROCEDURE WITH A NEW ONE.

(8) REMOVED -LSWOUT- RELOCTABLE FROM MAIN2 @MAP

(9) CHANGED -MAIN3- TO TABLE 6 DIMENSIONS AND REVISED THE CALL TO TAB6 TO NEW WORK AREA SIZES.

(10) -TAB6- COMPLETELY REWRITTEN.

(11) COMPLETELY REVISED @MAP DIRECTIVES TO PROPERLY OVERLAY -SPACE- AND ALL REPORT WORKING AREAS.

(12) REVISED -SETUP- PROCEDURES TO CREATE ALTERNATE

PROGRAM FILE FOR EXECUTION TIME COMPILATIONS AND AN ALTERNATE PROGRAM LIBRARY CAPABILITY FOR @MAPPING. (SEE CHAPTER 8 FOR DETAILS)

(13) SUBROUTINE INPUT3 HAS BEEN DELETED AND COMBINED WITH SUBROUTINE INPUT2.

(14) TWO NEW SUBROUTINES, MRATES AND SRATES, HAVE BEEN ADDED TO PHASE I. MRATES PROVIDES AN EASIER METHOD OF ENTERING TAX SCHEDULES AND SRATES WILL COMPUTE A SINGLE'S TAX RATE SCHEDULE FROM A JOINT TAX RATE SCHEDULE.

11.7.5. COMPUTATIONAL CHANGES.

(1) SUBROUTINE TXCALC HAS BEEN REVISED TO REFLECT 1977 LAW.

(2) IN THE EXTRAPOLATION, THE DIVIDEND EXCLUSION WAS RESTRICTED TO THE MAXIMUM ALLOWABLE BY LAW.

11.8. USER NOTE NUMBER 8: VERSION 6 OF THE TAX MODEL.

VERSION 6 OF THE TAX MODEL PROGRAMS IS ESSENTIALLY THE SAME AS VERSION 5 OF THE MODEL EXCEPT FOR THE 1978 TAX CODE. A FEW CHANGES HAVE, HOWEVER, BEEN MADE TO CORRECT PREVIOUS ERRORS AND ENHANCE THE EXECUTION AND USEFULNESS OF THE MODEL. THIS NOTE BRIEFLY DOCUMENTS EACH CHANGE OF VERSION 6. IN THE DOCUMENTATION BELOW, EACH CHANGE IS SUBCLASSIFIED AS A CORRECTION, AN INPUT CHANGE, AN OUTPUT CHANGE, A TECHNICAL CHANGE, OR A COMPUTATIONAL CHANGE. HENCE, THE USER CAN READ THOSE SUBSECTIONS WHICH CORRESPOND TO HIS DEGREE OF INVOLVEMENT WITH THE TAX MODEL.

11.8.1. CORRECTIONS.

(1) THE VARIABLE PZ IN CSAVE1 HAS BEEN DIMENSIONED CORRECTLY.

(2) THE CODING PRECEEDING AND FOLLOWING THE CALL TO 'MRATES' IN SUBROUTINE 'INPUT2' HAS BEEN CORRECTED.

11.8.2. INPUT CHANGES.

(1) THE TAX PARAMETER VARIABLES PINX, PINY, AND PINZ NOW CONTAIN TWELVE (12) ADDITIONAL TAX PARAMETERS (SEE SECTION 6.3.8 FOR DETAILS).

11.8.3. OUTPUT CHANGES.

(1) SUBROUTINE 'PROUT' HAS BEEN MODIFIED TO PRINT THE TWELVE ADDITIONAL TAX PARAMETERS FOUND IN THE VARIABLES PINX, PINY, AND PINZ.

(2) SUBROUTINE 'SHOREC' HAS BEEN REWRITTEN TO ACCOMODATE THE MAPPED 1975 DATA BASE.

11.8.4. TECHNICAL CHANGES.

(1) THE PDP PROC 'CSAVE2' HAS BEEN COMPLETELY REPLACED TO FACILITATE THE 1975 PERSONAL INDIVIDUAL INCOME TAX DATA BASE.

(2) A NEW SUBROUTINE, 'EYDEF', HAS BEEN ADDED TO THE MODEL. EYDEF COMPUTES EXPANDED INCOME USED FOR CLASSIFICATION PURPOSES.

(3) SUBROUTINE 'MAIN2' HAS BEEN MODIFIED TO CALL SUBROUTINE 'EYDEF', WHEN REQUIRED, PRIOR TO THE CALCULATION OF PLAN X.

(4) SUBROUTINE 'TABLES' HAS BEEN MODIFIED TO REMOVE THE CALCULATION OF EXPANDED INCOME.

(5) A NEW SUBROUTINE 'FUSIZE' HAS BEEN ADDED TO THE TAX MODEL. THIS ROUTINE IS A USER CALLED ROUTINE THAT PERMITS THE TABULATION OF TAX LIABILITY AND THE ASSOCIATED PERCENTAGE DISTRIBUTION BY FILING UNIT SIZE (SEE SECTION 8.8 FOR DETAILS).

11.8.5. COMPUTATIONAL CHANGES.

(1) SUBROUTINE 'TXCALC' HAS BEEN REVISED TO REFLECT 1978 TAX LAW (SEE APPENDIX A & E OF CHAPTER 5 FOR DETAILS).

(2) A NEW FUNCTION ROUTINE, 'ELDCR', HAS BEEN ADDED TO THE MODEL. THIS FUNCTION COMPUTES THE ELDERLY CREDIT UNDER 1978 TAX LAW.

12. TABLEMAKER PROGRAMS.

12.1. TABLEMAKER DIRECTORY PROGRAM.

12.1.1. PURPOSE.

THE PURPOSE OF THE TABLEMAKER DIRECTORY PROGRAM IS TO PROVIDE THE USER WITH THE CAPABILITY TO EXECUTE ONE OF THE THREE TASKS BELOW:

(A) QUERY THE DIRECTORY TO DETERMINE IF A TAX MODEL RUN HAS FINISHED SUCESSFULLY OR TO ACQUIRE THE DESCRIPTION OF A TAX MODEL RUN.
(B) PRODUCE A FULL LISTING OF THE TABLEMAKER DIRECTORY AT THE REMOTE PRINTER.
(C) SEARCH THE ENTIRE DIRECTORY FOR THOSE TAX MODEL RUNS WHOSE DESCRIPTION MATCHES THE KEY WORDS SUPPLIED BY THE USER AND PRINT THE RESULTS OF THE SEARCH AT THE REMOTE PRINTER.

THE USER MAY SWITCH BACK AND FORTH BETWEEN EACH OF THE THREE TASKS, HOWEVER, TASK (B) MAY BE PERFORMED ONLY ONCE DURING ANY ONE EXECUTION OF THE DIRECTORY PROGRAM.

12.1.2. USER PROCEDURE.

12.1.2.1. ENTRY.

IN ORDER TO BEGIN EXECUTION OF THE TABLEMAKER DIRECTORY PROGRAM, THE USER MUST ENTER IN DEMAND MODE--

```
*XQT TABLE*MAKER.DIRECT5
```

12.1.2.2. DIRECTORY NAME.

ONCE THE TABLEMAKER DIRECTORY PROGRAM IS EXECUTING, IT WILL RESPOND WITH--

***ENTER DIRECTORY ELEMENT NAME

AT THIS POINT, THE USER MAY ENTER ONE OF THE FOLLOWING DIRECTORY ELEMENT NAMES:

DIRECTORY	CURRENT QUARTER DIRECTORY
DIVQTR77	DIRECTORY FOR THE IV QUARTER OF 1977.
DIIIQTR77	DIRECTORY FOR THE III QUARTER OF 1977.
DIIQTR77	DIRECTORY FOR THE II QUARTER OF 1977.
DIQTR77	DIRECTORY FOR THE I QUARTER OF 1977.

12.1.2.3. TASK QUESTION.

FOLLOWING THE ENTRY OF THE DIRECTORY ELEMENT NAME, THERE WILL BE A SLIGHT DELAY WHILE THE REQUESTED DIRECTORY IS COPIED TO A TEMPORARY FILE FROM STORE*ESTIMATES. AND THE FILE STORE*ESTIMATES. IS RELEASED. THE PROGRAM'S NEXT RESPONSE WILL BE--

ENTER QUERY, FULL, OR SEARCH*

THE USER SHOULD RESPOND WITH ONE OF THE THREE OPTIONS, QUERY, FULL, OR SEARCH.

12.1.2.4. QUERY RESPONSE.

IF THE QUERY RESPONSE IS SUPPLIED BY THE USER, THE PROGRAM WILL RESPOND WITH--

ENTER RUN NUMBER OR
THE WORD NONE

(A) IF A RUN NUMBER SUCH AS--

3210

IS SUPPLIED, THE PROGRAM WILL RESPOND WITH--

RUN NUMBER 3210 MADE ON 021477
AT 1977 LEVELS & 1977 LAW: RESTRICTED TO

```
CONTENTS ARE:
$35 CREDIT & MSD CHANGES
EXTEND $35 PER CAPITA CREDIT TO AGED AND BLIND
MSD OF 22/30/22: MFS NO OPT TINC OR
ESTIMATE = 400

***ENTER RUN NUMBER OR***
   THE WORD NONE
```

(B) IF A NON-EXISTENT RUN NUMBER IS SUPPLIED OR IF THE RUN NUMBER ON THE SECOND QUERY IS LESS THAN THE RUN NUMBER ON THE FIRST QUERY, THE PROGRAM WILL RESPOND WITH--

```
***REWIND, OR STOP***
```

IF THE USER WANTS TO CONTINUE, HIS RESPONSE WILL BE REWIND, IF NOT HIS RESPONSE WILL BE STOP. THE REWIND RESPONSE WILL BACK UP TO THE TASK QUESTION.

(C) IF THE RESPONSE--

```
NONE
```

IS GIVEN, THE PROGRAM WILL BACK UP TO THE TASK QUESTION.

12.1.2.5. FULL RESPONSE.

WHEN THE FULL RESPONSE IS SUPPLIED, THERE WILL BE A SLIGHT DELAY WHILE THE PROGRAM PREPARES THE FULL LISTING OF THE DIRECTORY. WHEN THE DIRECTORY LISTING IS FINISHED, THE PROGRAM WILL RESPOND WITH--

```
***REWIND, OR STOP***
```

THE USER MAY RESPOND WITH REWIND OR STOP.

NOTE: THE FULL TASK MAY BE PERFORMED ONLY ONCE PER EXECUTION OF THE TABLEMAKER DIRECTORY PROGRAM.

12.1.2.6. SEARCH RESPONSE.

IF THE SEARCH RESPONSE IS SUPPLIED BY THE USER, THE PROGRAM WILL RESPOND WITH--

```
*** 1 ENTER KEY WORDS FOR SEARCH***
```

```
RUN NUMBER 3093   MADE ON 011377
AT 1976 LEVELS & 1976 LAW: RESTRICTED TO
CONTENTS ARE:
CHILD CARE
1976 LAW WITH 1975 CHILD CARE DEDUCTION
(AGI IN 73 IS APPROXIMATE - SEE ME FOR DETAILS)
ESTIMATE = 400

RUN NUMBER 3094   MADE ON 011377
AT 1976 LEVELS & 1976 LAW: RESTRICTED TO
CONTENTS ARE:
CHILD CARE
1976 LAW WITH 1976 CHILD CARE DEDUCTION
(AGI IN 73 IS APPROXIMATE - SEE ME FOR DETAILS)
ESTIMATE = 400

**CONTINUE?
```

THE PROGRAM LIST TWO(2) RUNS AT A TIME WHEN THE USER REQUESTS THE RESULTS OF A SEARCH BE SENT TO THE TERMINAL. THIS ENABLES THE USER TO QUIT IF HE HAS FOUND THE RUN HE IS SEARCHING FOR OR TO CONTINUE IF HE HAS NOT FOUND THE PROPER RUN. IN ADDITION, TWO LISTINGS WILL FIT ON A CRT SCREEN WITHOUT ANY LOSS OF INFORMATION. IF THE USER WISHES TO CONTINUE, HE WOULD ENTER--

```
Y
```

AND THE PROGRAM WILL CONTINUE WITH--

```
RUN NUMBER 3152   MADE ON 011377
AT 1976 LEVELS & 1976 LAW: RESTRICTED TO
CONTENTS ARE:
CHILD CARE
1976 LAW W/REPEAL C.CARE VS 76 LAW WITH C.CARE CREDIT
(AGI IN 73 IS APPROXIMATE - SEE ME FOR DETAILS)
ESTIMATE = 431
```

IF THE USER REQUESTS THAT THE SEARCH LISTING BE PRINTED AT THE REMOTE PRINTER, THE LIST WILL NOT BE PRINTED UNTIL THE USER TERMINATES THE PROGRAM. AT THE CONCLUSION OF THE EXECUTION, THE LISTING FOR ALL SEARCHES PERFORMED DURING THE RUN WILL BE OUTPUTTED TO THE REMOTE PRINTER.

IMMEDIATELY AFTER THE PROGRAM CONVEYS THE NUMBER OF RUNS LOCATED THAT MATCHED THE KEY WORDS, IT WILL RESPOND WITH--

```
***REWIND, OR STOP***
```

IF THE USER WISHES TO PERFORM MORE SEARCHES, OR TO PERFORM SOME OTHER TASK, HE SHOULD RESPOND WITH REWIND, OTHERSWISE HE SHOULD RESPOND WITH STOP.

12.1.2.7. EXIT

THE USER EXITS FROM THE PROGRAM BY RESPONDING TO --

REWIND, OR STOP

WITH STOP. FOLLOWING THE STOP ENTRY, THE PROGRAM WILL SIGNIFY THAT IT HAS TERMINATED BY--

PROGRAM TERMINATED