

THE MOST SERIOUS PROBLEMS ENCOUNTERED BY TAXPAYERS

- Topic #1 Most Serious Problem: Alternative Minimum Tax for Individuals, page 5, first bullet, corrected tax year to 1966. The item should read: The minimum tax was enacted into law in 1969 after Congress learned that 155 taxpayers with adjusted gross incomes (AGI) of \$200,000 or more from the **1966** tax year had paid no federal income tax at all.
- Topic #2 Most Serious Problem: Nonfiling and Underreporting by Self-Employed Taxpayers, page 20, Correction to footnote #1: ***The tax gap is the amount of tax that is imposed by law for a given tax year but is not paid voluntarily.*** The estimated size of the gross tax gap for 1998 was \$282.5 billion as compared to \$310.6 billion for 2001. Tax Gap Maps for 1998 and for 2001 come from IRS National Headquarters Office of Research, July 17, 2003. This tax gap data is not adjusted for inflation. IRS does not have the statistics for the categories that contain a question mark (?) in Table 1.2.1.

KEY LEGISLATIVE RECOMMENDATIONS

- Topic #3 Key Legislative Recommendations: Federal Tax Return Preparers: Oversight and Compliance, page 271, second paragraph, third sentence, inserted *fraudulent*. The sentence should read: Ninety percent of electronically filed ***fraudulent*** returns involve a RAL product.

[Note: The page number referenced may vary slightly based on the version of the report]

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