

Table 469. Federal Individual Income Tax Returns—Sources of Net Losses Included in Adjusted Gross Income: 2003 to 2005

[4,973 represents 4,973,000. For tax years. Based on a sample of returns, see source and Appendix III]

Item	2003		2004		2005	
	Number of returns (1,000)	Amount (mil. dol.)	Number of returns (1,000)	Amount (mil. dol.)	Number of returns (1,000)	Amount (mil. dol.)
Total net losses	(NA)	279,243	(NA)	303,458	(NA)	319,587
Business or profession net loss.	4,973	38,927	5,194	43,007	5,308	45,016
Net capital loss ¹	12,808	28,952	11,513	25,492	10,023	22,137
Net loss, sales of property other than capital assets.	955	8,469	892	7,971	877	9,180
Total rental and royalty net loss.	² 4,242	33,453	4,380	38,466	4,554	43,988
Partnership and S corporation net loss.	2,553	78,972	2,498	82,697	2,539	89,694
Estate and trust net loss	33	1,084	36	1,436	36	1,654
Farm net loss	1,405	19,844	1,416	20,610	1,371	20,653
Net operating loss ³	712	62,825	830	75,012	863	79,452
Other net loss ⁴	290	6,718	359	8,768	346	7,811

NA Not available. ¹ Includes only the portion of capital losses allowable in the calculation of adjusted gross income. Only \$3,000 of net capital loss per return (\$1,500 for married filing separately) are allowed to be included in negative total income. Any excess is carried forward to future years. ² Includes farm rental net loss. ³ Net operating loss is a carryover of the loss from a business when taxable income from a prior year was less than zero. ⁴ Other net loss represents losses reported on Form 1040, line 21, except net operating loss and the foreign-earned income exclusion.

Source: U.S. Internal Revenue Service, *Statistics of Income Bulletin*, Fall issues.