

Mr. SURREY. I think we would have to submit it for the record.

Mr. VANIK. Break it down any way you like.

Mr. SURREY. I think we would have to submit it for the record. By exempt income, I gather you are not talking about that amount which is relieved of tax because of personal exemptions or matters of that nature.

Mr. VANIK. I think if the figures were available, it would be helpful in all categories—those people who are exempt because of low income and those who are exempt because they have a special kind of income. Also give us some idea as to the amount of exemption related to the kind of income.

I might add that I hope that would include the foreign tax credit and some other types of investment that are made which give people special benefit. I would like to also ask, does your office have any figures as to the total amount of income that avoids taxation because of the exemption on State and local bonds? Do you have that figure?

Mr. SURREY. Yes, we will put that figure in the record.

(The following information was received by the committee:)

Billions

Assuming no change in realization of gains the additional revenue from:	
Changing the holding period for a long-term capital gain from 6 months to a year would be.....	\$0.4
Eliminating the preferential rates on capital gains would be.....	5.0
Assuming no change in level of mining activities or other industry changes removing percentage depletion would increase revenues by.....	1.5

Millions

Amount of tax exempt interest reported by corporations in 1963.....	1,456
Amount of Western Hemisphere trade deductions reported by corporations in 1963.....	250

INTEREST ON STATE AND LOCAL GOVERNMENT BONDS, 1962

Money income class	Number of consumer units Dec. 1962 (millions)	Percentage of consumer units with tax-exempt interest	Average tax-exempt interest ¹	Percentage of tax-exempt interest received by each income group
0 to \$3,000 ²	16.3	(³)	\$1	4
\$3,000 to \$5,000.....	11.4	(³)	(³)	(³)
\$5,000 to \$7,500.....	12.2	(³)	(³)	1
\$7,500 to \$10,000.....	9.0	1	4	8
\$10,000 to \$15,000.....	6.2	(³)	1	1
\$15,000 to \$25,000.....	2.0	2	16	7
\$25,000 to \$50,000.....	.5	6	129	15
\$50,000 to \$100,000.....	.2	22	1,185	42
\$100,000 and over ⁴	(³)	66	2,356	22
Total.....	57.9	(³)	8	100

¹ Average is for all consumer units in the income class, including those with no tax-exempt interest.

² Includes units with deficits.

³ Less than 50,000 or 0.5 percent or 50 cents.

⁴ There were 27,174 tax returns in 1962 with adjusted gross incomes over \$100,000.

Source: Federal Reserve Board, unpublished data from consumer survey.