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DC income tax data gives insight into the population dynamics of a growing, changing city

The net increase was 58,157, but hundreds of thousands of filers moved on and off the tax rolls from 2001 to 2012

As DC's population has grown, the number of individual income tax filers has grown as well. Indeed, from 2001 to 2012 (the last year for which detailed tax data is available), the percentage growth in tax filers was twice that of population: 20.8% for filers versus 10.5 % for the population. Single filers increased 33% over the period, accounting for 89.6% of the increase in filers. (See table 2 on p. 2).

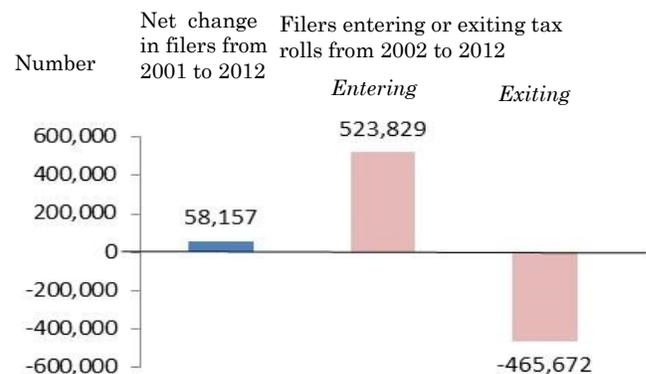
Table 1. DC Population and Individual Income tax filers: 2001 and 2012
Source: Census and DC OCFO

	2001	2012	Amount Change	% Change
Population	574,504	635,040	60,536	10.5%
Individual Income tax filers	279,499	337,656	58,157	20.8%

A net increase of 58,157 in the number of filers from 2001 to 2012 is an important snapshot of how the city is changing. Along with this, however, is a fuller story of very substantial movement on and off the tax rolls during those years. In 2001 there were 279,499 tax filers. Starting with 2002, a total of 523,829 new tax filers had come onto the rolls by 2012 sometime during the period and 465,672 had exited. In all, there were 803,328 unique tax filers over the years 2001 to 2012. To help put this into perspective:

- The number of unique taxpayers over the 2001 to 2012 period was 2.9 times greater than the number of filers that existed in 2001.
- The number moving onto the rolls from 2002 to 2012 was 9 times greater than the net change over the period.
- The number moving off the rolls was 1.7 times the number of filers in 2001.

DC Individual Income tax filers, selected data: 2001 to 2012



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filers in the initial part of their tenure in the city but married filers during the latter part of their tenure accounted for 5.5 percent of the total unique Individual Income tax filers in the city over the study period. Interestingly, however, this small subgroup of filers appears to have been the least likely to migrate out of the city and the most likely to have the longest tenure (4.3 years). There was, however, significant turnover here too: the 43,998 who moved from single to married were almost 4 times as great as the 10,964 net increase in married filers from 2001 to 2012. The growing number of and longer-city-tenured married filers may be a trend that bears watching in the coming years.

If we combine certain elements from Tables 2 and 3, a broad overview of tax filers' migration into and out of the city can be obtained which is summarized below and in the graph on p. 1. Table 2 shows that there were 279,499 total Individual Income tax filers in 2001. Table 3 shows that there were a total of 803,328 unique Individual Income tax filers that have been subject to the city's income tax between 2001 and 2012. When we subtract the total 2001 filers (279,499) from the total unique filers over the study period (803,328), we obtain all filers for years 2002-2012 that were not present in 2001 (523,829). Table 2 shows that there were 465,672 total Individual Income tax filers (of varying tenure) that were present in the city at some point between 2001-2011 that were not present in 2012. Table 3 shows the sum of these numbers, 337,656, the total number total filers in 2012. The city gained 58,157 more tax filers than it lost (523,829-465,672) over the study period.

Table 4 Summary of Individual Income tax filers: 2001 to 2012

Total Tax Filers in 2001	279,499
All Filers for Years 2002-2012 that were Not Present in 2001	523,829
All Filers for Years 2001-2011 that were Not Present in 2012	-465,672
Total Tax Filers in 2012	337,656
Net Increase in Tax Filers in 2012 (compared to 2001)	58,157

Note on methodology

This analysis focuses on the extent to which Individual Income tax filers change filing status, enter, and/or migrate out of the city over the years 2001 to 2012 (the last year for which detailed tax data is available). In interpreting these results it should be noted that there are also some inherent limitations in using this tax data due to the imperfect nature of the data (e.g. non-filers, late filers, duplicate/amended returns, complex/inaccurate filing statuses, processing problems, etc.). Also the data requires that we use "filers" as the focus of analysis regardless of the type of return. This means that all persons associated with a married filer status are counted as one filer. Accordingly, the finding that there were 803,328 distinct filers underestimates the total number of persons reflected on DC's tax rolls over the 2011 to 2012 period. We count as exiting all persons who did not file, but this could be for a number of reasons—non-filing, death, or becoming a spouse on another persons return—in addition to moving.

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