

RAND

RAND HRS Tax Calculations 2014 (V2) Documentation

Includes 2000-2014 (Final Release)

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Preface

We use the NBER-Internet TAXSIM¹ calculator, Version 9.3, to compute federal, state, and FICA taxes for Respondents to the HRS 2000 - 2014 surveys. The data come in eight files, one for each of the eight HRS waves. For details on the tax calculations performed by TAXSIM, we refer the interested reader to the TAXSIM website:

<http://users.nber.org/taxsim/taxsim-calc9/index.html>

The calculator requires the user to provide the following 22 input variables for each case for which taxes are to be computed:

1. Person Specific Identifier
2. Tax Year
3. State Identifier
4. Marital Status
5. Number of Dependent Exemptions
6. Number of Taxpayers Over 65 Years of Age
7. Wage and Salary Income of Taxpayer
8. Wage and Salary Income of Spouse
9. Dividend Income
10. Other Property Income
11. Taxable Pensions and IRA Distributions
12. Gross Social Security Benefits
13. Other Non-Taxable Transfer Income
14. Rent Paid
15. Real Estate Taxes Paid
16. Deductions (Preference for the AMT)
17. Child Care Expenses
18. Unemployment Compensation
19. Number of Dependents Under Age 17 (for Child Credit)
20. Other Deductions (Not a Preference for the AMT)
21. Short Term Capital Gains or Losses
22. Long Term Capital Gains or Losses

We constructed these input variables for every Respondent to HRS 2000 - 2014. For some input variables, the information is directly available from Respondents' survey responses, like the number of dependent exemptions; for other variables, we had to use a best estimate, say for deductions, where we observe some relevant items in the survey, but not others that would fall in this category; on items where we do not have any information available on HRS Respondents, as is the case for child care expenses, we set the variable to zero. All of the input variables we used are included in the data file, and the codebook describes in detail how each of them was constructed.

The tax calculator produces the following output fields:

1. Federal Income Tax Liability
2. State Income Tax Liability
3. FICA (OASDI and HI, Sum of Employee and Employer)
4. Federal Marginal Rate

¹Feenberg, D.R., and Coutts, E. (1993), "[An Introduction to the TAXSIM Model](#)", Journal of Policy Analysis and Management, 12(1), 189-194.

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5. State Marginal Rate
 6. FICA Rate
 7. Federal Marginal Rate, \$1K Finite Difference
 8. State Marginal Rate, \$1K Finite Difference
 9. Federal Marginal Rate, \$5K Finite Difference
 10. State Marginal Rate, \$5K Finite Difference
 11. Federal Marginal Rate, \$10K Finite Difference
 12. State Marginal Rate, \$10K Finite Difference
 13. Federal Marginal Rate, \$50K Finite Difference
 14. State Marginal Rate, \$50K Finite Difference

For confidentiality reasons, tax calculations are performed 51 times for each Respondent, one for each state. The data files we provide thus contain 51 records for each HRS Respondent who participated in a specific wave of the survey. For example, there were 19,579 Respondents in HRS 2000. Our corresponding file with the tax calculations has 998,529 observations ($=19,579*51$). Users of the restricted geocodes can select for each Respondent the record for the state the Respondent lived in at the time of the interview.

Contents

Preface	2
What's New in the RAND HRS Tax Calculations 2014 (V2)?	6
1. General Notes on File and Variable Construction	7
1.1. Respondent-level files	7
1.2. Reference period for income reports in the HRS	7
1.3. The role and definition of marital status for tax-purposes	7
1.4. Construction of input variables to the NBER-Internet TAXSIM calculator	7
2. Distribution and Technical Notes	8
Section A: Input Variables	10
Item #1: Person Specific Identifier	11
Item #2: Tax Year	12
Item #3: State Identifier	14
Item #4: Marital Status	15
Item #5: Number of Dependent Exemptions	17
Item #6: Number of Taxpayers Over 65 Years of Age	19
Item #7: Wage and Salary Income of Taxpayer	21
Item #8: Wage and Salary Income of Spouse	22
Item #9: Dividend Income	23
Item #10: Other Property Income	24
Item #11: Taxable Pensions and IRA Distributions	27
Item #12: Gross Social Security Benefits	31
Item #13: Other Non-Taxable Transfer Income	36
Item #14: Rent Paid	38
Item #15: Real Estate Taxes Paid	41
Item #16: Deductions (Preference for the AMT)	45
Item #17: Child Care Expenses	48
Item #18: Unemployment Compensation	49
Item #19: Number of Dependents Under Age 17 (For Child Credit)	51
Item #20: Other Deductions (Not a Preference for the AMT)	52
Item #21: Short Term Capital Gains or Losses	57
Item #22: Long Term Capital Gains or Losses	58
Section B: Output Variables	59
Federal Income Tax Liability	60
State Income Tax Liability	61
FICA (OASDI and HI, Sum of Employee and Employer)	62
Federal Marginal Rate	63
State Marginal Rate	64
FICA Rate	65
Federal Marginal Rate (\$1K Finite Difference)	66
State Marginal Rate (\$1K Finite Difference)	67
Federal Marginal Rate (\$5K Finite Difference)	68

State Marginal Rate (\$5K Finite Difference)	69
Federal Marginal Rate (\$10K Finite Difference)	70
State Marginal Rate (\$10K Finite Difference)	71
Federal Marginal Rate (\$50K Finite Difference)	72
State Marginal Rate (\$50K Finite Difference)	73
Appendix	74
Section A: Marital Status	75
Section B: IRA Withdrawals	87
Section C: Medicare Part B and Part D Premiums	93

What's New in the RAND HRS Tax Calculations 2014 (V2)?

This new version incorporates the final release of the Core data for HRS 2012 (V2.0) and 2014 (V2.0). Additionally, we have made a number of improvements, including the following:

Income, Wealth, and Medical Expenditure Imputations

To construct the input variables to the NBER-Internet TAXSIM calculator, we use a number of imputed variables that are included in the RAND HRS Longitudinal File and the RAND HRS Detailed Imputations File. The 2014 (V2) versions of these files incorporate several improvements to the income, wealth, and medical expenditure imputations, including a correction to the tobit imputation programs. For a detailed summary of these improvements, please see the "What's New" section in either the RAND HRS Longitudinal File 2014 (V2) Documentation, or the RAND HRS Detailed Imputations File 2014 (V2) Documentation.

Medicare Part B (Supplementary Medical Insurance) and Part D (Prescription Drug Plan) Premiums

We made some refinements to the way we determine both whether, and for how many months, Medicare Part B premiums were deducted from Social Security income. The latter adjustment is especially noteworthy, since in the previous version, we assumed a full year's worth of deductions for qualified Respondents. For Medicare Part D premiums, we made similar adjustments, and corrected an oversight in the previous version where, for married couples, only the Respondent's premiums were added back to gross Social Security benefits. We also winsorized the reported Part D amounts at the 95th percentile to address some outlying values. Details are provided below, specifically in the section for Item #12 (Gross Social Security Benefits) and the Appendix (Section C: Medicare Part B and Part D Premiums).

These updates, coupled with any changes resulting from improvements to the income imputations (Social Security income, in particular), had a small impact overall. Specifically, compared to the previous version, the average amount of gross Social Security benefits is roughly 2.1% - 4.2% lower, depending on the wave. Please note that imputed values for individual Households or Respondents can change between versions.

1. General Notes on File and Variable Construction

1.1. Respondent-level files

Tax liabilities and tax rates are defined at the household level. In keeping with other RAND HRS data products, the files containing the tax calculations are Respondent-level. We have included the common identifiers so that the files can be merged with other HRS files, either by HHIDPN, or by the combination of HHID and PN.

1.2. Reference period for income reports in the HRS

Questions about income in the HRS survey relate to the last calendar year. For example, HRS 2000 interviews provide information about households' incomes for tax year 1999. However, in some HRS waves, the survey field period extended into the following year, resulting in different reference years across interviews. For example, most HRS 2002 interviews were performed in 2002, though some were performed in 2003. Therefore, any questions about the last calendar year referred to 2001 for those interviewed in 2002, and to 2002 for those interviewed in 2003. The tax calculations take this into account. Details are provided below, specifically in the section for Item #2 (Tax Year).

1.3. The role and definition of marital status for tax-purposes

Marital status is a key variable in terms of how income is entered in the various input fields required by the NBER-Internet TAXSIM calculator. We use the following strategy for defining marital status and reporting income:

- (a). For MARRIED persons: We sum Respondent and spouse's income.
- (b). For SEPARATED persons: Even though they are technically married, we treat them as single. This is because the HRS does not ask for information about estranged spouses. Thus, only the Respondent's income is used.
- (c). For PARTNERED persons: They are, again, treated as single assuming that they cannot file their taxes jointly. Thus, the income includes the Respondent's own income, plus 1/2 the household components.

1.4. Construction of input variables to the NBER-Internet TAXSIM calculator

In some cases, we used HRS raw variables to construct the input variables; in other cases, we used derived variables. We used variables from three sources:

- (a). The RAND HRS Longitudinal File 2014 (V2);
- (b). The RAND HRS Fat Files, which contain HRS raw variables; and
- (c). The RAND HRS Detailed Imputations File 2014 (V2), which includes the component and ownership variables that are used to create the income, wealth, and medical expenditures summary measures found in the RAND HRS Longitudinal File.

The codebook specifies for each input variable:

- (a). how it was constructed;
- (b). the source of the variables used in the construction; and
- (c). a full list of the exact names of the variables used in the construction.

For the input variables, the summary statistics in the codebook report the number of observations, means, and standard deviations on the basis of just one observation per Respondent (even though the file actually contains 51 records per Respondent as a result of running the data through the NBER-Internet TAXSIM calculator). We adopt this approach because by definition, the input variables do not vary across the 51 records pertaining to the same Respondent.

2. Distribution and Technical Notes

The files can be downloaded from the HRS web site (<http://hrsonline.isr.umich.edu/>), once you have registered to use HRS data. They are zipped for downloading, and you must unzip them to make them usable. They are available for download as an entire package, or documentation only.

There are two data files for each of the eight HRS waves, resulting in a total of sixteen files. Eight of these files include the TAXSIM input and output variables. The other eight files include the raw variables that were used to generate the TAXSIM input variables.

As shown in Table 1, there are three different packages, one for each file format: SAS, Stata 11 SE, and SPSS 18 for Windows. SAS and Stata files contain value labels and missing value codes. SPSS does not support multiple missing codes.

Table 1: RAND HRS Tax Calculation Data Distribution Files

Distribution file name	Included Files	Description
randhrstax2000_2014v2_SAS.zip	randhrstax2000_2014v2.pdf	Codebook
	randhrstaxYYYYv2.sas7bdat	Data (SAS): Input and output variables
	randhrstaxrawYYYYv2.sas7bdat	Data (SAS): Raw variables
	taxfmts.sas7bdat	Formats (SAS)
randhrstax2000_2014v2_STATA.zip	randhrstax2000_2014v2.pdf	Codebook
	randhrstaxYYYYv2.dta	Data (Stata 11 SE): Input and output variables
	randhrstaxrawYYYYv2.dta	Data (Stata 11 SE): Raw variables
randhrstax2000_2014v2_SPSS.zip	randhrstax2000_2014v2.pdf	Codebook
	randhrstaxYYYYv2.sav	Data (SPSS 18): Input and output variables
	randhrstaxrawYYYYv2.zip	Data (SPSS 18): Raw variables

Note: YYYY = 2000, 2002, 2004, 2006, 2008, 2010, 2012, or 2014.

Some of the variables in these files have been assigned SAS formats, or value labels. Rather than distribute SAS formats as a formats catalog (i.e., `formats.sas7bcat`), we provide SAS code to allow the user to create their own formats catalog on any computing platform. To create the formats catalog, assuming `taxfmts.sas7bdat` is in `C:\tax\sasdata`, simply run the following code:

```
libname library "C:\tax\sasdata";

proc format library = library cntlin = library.taxfmts;
run;
```

This SAS code will create a file called `C:\tax\sasdata\formats.sas7bcat`. To use them from the SAS format library, you must include a `LIBNAME LIBRARY` statement:

```
LIBNAME LIBRARY "your directory";
```

Where `"your directory"` is the name of the directory where the `formats.sas7bcat` file is stored. For example, if the `formats.sas7bcat` file is stored in `C:\tax\sasdata`, you would put the following statement in your SAS programs:

```
LIBNAME LIBRARY "C:\tax\sasdata";
```

If you do not have the `LIBNAME LIBRARY` statement in your program, SAS usually gives you an error message and stops processing, unless you specify `NOFMterr` on an `OPTIONS` statement.

If you prefer not to use the assigned SAS formats, you can use the following statement in SAS PROC steps or just after a SET or MERGE in a data step to un-assign all formats:

```
FORMAT _ALL_;
```

You can then assign formats as you wish. The format assignments we assigned to variables can be found by running a PROC CONTENTS on the data files.

Section A: Input Variables

Item #1: Person Specific Identifier
--

Wave	Variable	Label	Type
5	W5ITEM_1	W5ITEM_1: W5 Person Specific Identifier	Cont
6	W6ITEM_1	W6ITEM_1: W6 Person Specific Identifier	Cont
7	W7ITEM_1	W7ITEM_1: W7 Person Specific Identifier	Cont
8	W8ITEM_1	W8ITEM_1: W8 Person Specific Identifier	Cont
9	W9ITEM_1	W9ITEM_1: W9 Person Specific Identifier	Cont
10	W10ITEM_1	W10ITEM_1: W10 Person Specific Identifier	Cont
11	W11ITEM_1	W11ITEM_1: W11 Person Specific Identifier	Cont
12	W12ITEM_1	W12ITEM_1: W12 Person Specific Identifier	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_1	19579	117881354.7	76368570.87	2010.0	213479020.0
W6ITEM_1	18165	113918425.1	75589252.03	3010.0	213479020.0
W7ITEM_1	20129	174820318.6	160654242.7	3010.0	502761010.0
W8ITEM_1	18469	171675982.7	161008729.8	3010.0	502761010.0
W9ITEM_1	17217	171784901.6	164119273.8	3010.0	502761010.0
W10ITEM_1	22034	319073780.1	288240766.8	3010.0	959738010.0
W11ITEM_1	20554	322702424.4	289975020.0	3010.0	959738010.0
W12ITEM_1	18747	332193459.3	292970182.2	3020.0	959738010.0

How Constructed

HHIDPN is the numeric version of the combined household and person identifier that identifies each Respondent uniquely. It is set to $HHID * 1000 + PN$.

HRS Variables Used

Tracker:

HHID	HOUSEHOLD IDENTIFIER
OVHHID	OVERLAP CASE: OLD HHID
OVPN	OVERLAP CASE: OLD PN
PN	PERSON NUMBER

Item #2: Tax Year

Wave	Variable	Label	Type
5	W5ITEM_2	W5ITEM_2: W5 Tax Year	Cont
6	W6ITEM_2	W6ITEM_2: W6 Tax Year	Cont
7	W7ITEM_2	W7ITEM_2: W7 Tax Year	Cont
8	W8ITEM_2	W8ITEM_2: W8 Tax Year	Cont
9	W9ITEM_2	W9ITEM_2: W9 Tax Year	Cont
10	W10ITEM_2	W10ITEM_2: W10 Tax Year	Cont
11	W11ITEM_2	W11ITEM_2: W11 Tax Year	Cont
12	W12ITEM_2	W12ITEM_2: W12 Tax Year	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_2	19579	1999.00	0.00	1999.0	1999.0
W6ITEM_2	18165	2001.02	0.14	2001.0	2002.0
W7ITEM_2	20129	2003.01	0.11	2003.0	2004.0
W8ITEM_2	18469	2005.02	0.15	2005.0	2006.0
W9ITEM_2	17217	2007.02	0.14	2007.0	2008.0
W10ITEM_2	22034	2009.30	0.46	2009.0	2010.0
W11ITEM_2	20554	2011.08	0.27	2011.0	2012.0
W12ITEM_2	18747	2013.04	0.20	2013.0	2014.0

How Constructed

The information on interview end year (RwIWENDY) is obtained from the RAND HRS Longitudinal File 2014 (V2). Since income variables in the HRS refer to the last calendar year, we use 2013 tax calculations for interviews done in 2014, 2011 tax calculations for interviews done in 2012, 2009 tax calculations for interviews done in 2010, 2007 tax calculations for interviews done in 2008, 2005 tax calculations for interviews done in 2006, 2003 tax calculations for interviews done in 2004, and so forth.

For Respondents to HRS 2000, the tax year of interest is set to 1999. For the remaining waves, the interview may not have been completed in the year indicated. Specifically:

HRS 2002: There are 388 Respondents for whom the interview was conducted in 2003, rather than 2002.

HRS 2004: There are 265 Respondents for whom the interview was conducted in 2005, rather than 2004.

HRS 2006: There are 423 Respondents for whom the interview was conducted in 2007, rather than 2006.

HRS 2008: There are 350 Respondents for whom the interview was conducted in 2009, rather than 2008.

HRS 2010: There are 6,736 Respondents for whom the interview was conducted in 2011, rather than 2010.

HRS 2012: There are 1,805 Respondents for whom the interview was conducted in 2013, rather than 2012.

HRS 2014: There are 896 Respondents for whom the interview was conducted in 2015, rather than 2014.

With the exception of HRS 2000, there are also a number of couples in each wave where the Financial Respondent was interviewed in a different year than their spouse/partner. Since most of the financial information is provided by the Financial Respondent, we base the tax year on when the Financial Respondent was interviewed for everyone in the household.

HRS Variables Used

RAND HRS Longitudinal File:

R5IWENDY	R5IWENDY:W5 Interview End Year
R6IWENDY	R6IWENDY:W6 Interview End Year
R7IWENDY	R7IWENDY:W7 Interview End Year
R8IWENDY	R8IWENDY:W8 Interview End Year
R9IWENDY	R9IWENDY:W9 Interview End Year
R10IWENDY	R10IWENDY:W10 Interview End Year
R11IWENDY	R11IWENDY:W11 Interview End Year
R12IWENDY	R12IWENDY:W12 Interview End Year

Item #3: State Identifier

Wave	Variable	Label	Type
5	W5ITEM_3	W5ITEM_3: W5 State Identifier	Cont
6	W6ITEM_3	W6ITEM_3: W6 State Identifier	Cont
7	W7ITEM_3	W7ITEM_3: W7 State Identifier	Cont
8	W8ITEM_3	W8ITEM_3: W8 State Identifier	Cont
9	W9ITEM_3	W9ITEM_3: W9 State Identifier	Cont
10	W10ITEM_3	W10ITEM_3: W10 State Identifier	Cont
11	W11ITEM_3	W11ITEM_3: W11 State Identifier	Cont
12	W12ITEM_3	W12ITEM_3: W12 State Identifier	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_3	19579	-1.00	0.00	-1.0	-1.0
W6ITEM_3	18165	-1.00	0.00	-1.0	-1.0
W7ITEM_3	20129	-1.00	0.00	-1.0	-1.0
W8ITEM_3	18469	-1.00	0.00	-1.0	-1.0
W9ITEM_3	17217	-1.00	0.00	-1.0	-1.0
W10ITEM_3	22034	-1.00	0.00	-1.0	-1.0
W11ITEM_3	20554	-1.00	0.00	-1.0	-1.0
W12ITEM_3	18747	-1.00	0.00	-1.0	-1.0

How Constructed

HRS Respondents' state of residence is restricted information and cannot be sent over the web. We set the state identifier for the tax calculations to -1 for all Respondents, which prompts the NBER-Internet TAXSIM calculator to generate the relevant statistics for all 51 states for every submitted observation. The number of observations in the output file is hence multiplied by 51, and the placeholder (-1) in Item #3 is replaced by a state identifier running from 1 through 51 (see list below) that indicates, for each record, the state for which taxes have been calculated.

IRS SOI State Codes

1 Alabama	14 Illinois	27 Montana	40 Rhode Island
2 Alaska	15 Indiana	28 Nebraska	41 South Carolina
3 Arizona	16 Iowa	29 Nevada	42 South Dakota
4 Arkansas	17 Kansas	30 New Hampshire	43 Tennessee
5 California	18 Kentucky	31 New Jersey	44 Texas
6 Colorado	19 Louisiana	32 New Mexico	45 Utah
7 Connecticut	20 Maine	33 New York	46 Vermont
8 Delaware	21 Maryland	34 North Carolina	47 Virginia
9 DC	22 Massachusetts	35 North Dakota	48 Washington
10 Florida	23 Michigan	36 Ohio	49 West Virginia
11 Georgia	24 Minnesota	37 Oklahoma	50 Wisconsin
12 Hawaii	25 Mississippi	38 Oregon	51 Wyoming
13 Idaho	26 Missouri	39 Pennsylvania	

Item #4: Marital Status

Wave	Variable	Label	Type
5	W5ITEM_4	W5ITEM_4: W5 Marital Status	Cont
6	W6ITEM_4	W6ITEM_4: W6 Marital Status	Cont
7	W7ITEM_4	W7ITEM_4: W7 Marital Status	Cont
8	W8ITEM_4	W8ITEM_4: W8 Marital Status	Cont
9	W9ITEM_4	W9ITEM_4: W9 Marital Status	Cont
10	W10ITEM_4	W10ITEM_4: W10 Marital Status	Cont
11	W11ITEM_4	W11ITEM_4: W11 Marital Status	Cont
12	W12ITEM_4	W12ITEM_4: W12 Marital Status	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_4	19579	1.64	0.48	1.0	2.0
W6ITEM_4	18165	1.63	0.48	1.0	2.0
W7ITEM_4	20129	1.63	0.48	1.0	2.0
W8ITEM_4	18469	1.62	0.49	1.0	2.0
W9ITEM_4	17217	1.60	0.49	1.0	2.0
W10ITEM_4	22034	1.59	0.49	1.0	2.0
W11ITEM_4	20554	1.58	0.49	1.0	2.0
W12ITEM_4	18747	1.57	0.50	1.0	2.0

How Constructed

We used the variable RwmSTAT from the RAND HRS Longitudinal File 2014 (V2), and recoded it for the tax calculations as follows:

SINGLE (=1) if RwmSTAT takes the value 3, 4, 5, 6, 7 or 8 (partnered, separated, divorced, separate/divorced, widowed, never married)

MARRIED/JOINT (=2) if RwmSTAT takes the value 1 or 2 (married, spouse absent)

In each of the relevant HRS waves, there are a small number of cases that either have missing marital statuses or, as is the case for some coupled households, conflicting marital statuses. For a detailed summary of the number of cases affected, please refer to the Appendix, Section A: Marital Status.

HRS Variables Used

RAND HRS Longitudinal File:

R5MSTAT	R5MSTAT:W5 R Marital Status
R6MSTAT	R6MSTAT:W6 R Marital Status
R7MSTAT	R7MSTAT:W7 R Marital Status
R8MSTAT	R8MSTAT:W8 R Marital Status
R9MSTAT	R9MSTAT:W9 R Marital Status
R10MSTAT	R10MSTAT:W10 R Marital Status
R11MSTAT	R11MSTAT:W11 R Marital Status
R12MSTAT	R12MSTAT:W12 R Marital Status

R5MSTATH	R5MSTATH:W5	R	MarStat-w/o	part, filled
R6MSTATH	R6MSTATH:W6	R	MarStat-w/o	part, filled
R7MSTATH	R7MSTATH:W7	R	MarStat-w/o	part, filled
R8MSTATH	R8MSTATH:W8	R	MarStat-w/o	part, filled
R9MSTATH	R9MSTATH:W9	R	MarStat-w/o	part, filled
R10MSTATH	R10MSTATH:W10	R	MarStat-w/o	part, filled
R11MSTATH	R11MSTATH:W11	R	MarStat-w/o	part, filled
R12MSTATH	R12MSTATH:W12	R	MarStat-w/o	part, filled

Item #5: Number of Dependent Exemptions

Wave	Variable	Label	Type
5	W5ITEM_5	W5ITEM_5: W5 Number of Dependent Exemptions	Cont
6	W6ITEM_5	W6ITEM_5: W6 Number of Dependent Exemptions	Cont
7	W7ITEM_5	W7ITEM_5: W7 Number of Dependent Exemptions	Cont
8	W8ITEM_5	W8ITEM_5: W8 Number of Dependent Exemptions	Cont
9	W9ITEM_5	W9ITEM_5: W9 Number of Dependent Exemptions	Cont
10	W10ITEM_5	W10ITEM_5: W10 Number of Dependent Exemptions	Cont
11	W11ITEM_5	W11ITEM_5: W11 Number of Dependent Exemptions	Cont
12	W12ITEM_5	W12ITEM_5: W12 Number of Dependent Exemptions	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_5	19579	0.16	0.59	0.0	15.0
W6ITEM_5	18165	0.14	0.54	0.0	11.0
W7ITEM_5	20129	0.22	0.72	0.0	15.0
W8ITEM_5	18469	0.18	0.64	0.0	14.0
W9ITEM_5	17217	0.16	0.60	0.0	10.0
W10ITEM_5	22034	0.29	0.84	0.0	15.0
W11ITEM_5	20554	0.22	0.76	0.0	12.0
W12ITEM_5	18747	0.20	0.70	0.0	15.0

How Constructed

There are household-level questions in the interviews from HRS 2000 forward that ask whether there are any dependents, and if so, how many. We use the following process to assign the reported number of dependents to one or both Respondents in the household:

- 1). Run the data through TAXSIM with everything as is, EXCEPT the number of dependent exemptions.
- 2). Save the amount for Federal AGI (TAXSIM has several intermediate calculations, of which Federal AGI is one).

To assign the reported number of dependents, we take both marital status and AGI into consideration:

- 1). For Respondents who are not married or partnered, we simply assign any dependents they report.
- 2). For Respondents who are married, the dependents are assigned to both members of the couple.
- 3). For couples where one or both Respondents are partnered, we assign the dependents to whomever has the higher AGI. In couples where AGI is equal, we assign the dependents to the Financial Respondent.

Of course, there are some exceptions to the above rules, most notably in cases where marital status discrepancies are present (please refer to the Appendix, Section A: Marital Status, for details):

- 1). In a small number of cases, we consider a couple to be separated when one person is married, and the other is partnered. These cases go through the survey as a couple based on their originally-assigned marital status. However, since they are treated as single for the tax calculations, we assign the reported number of dependents to both individuals.

- 2). There are some "couples" where one person is married or partnered, and the other person is not married or partnered. These individuals are already treated as being in separate households, and will therefore have their own answers for the number of dependents.

In some waves, the reported number of dependents is quite large. For example, there are two individuals in HRS 2000 (who are married, and reside in the same household) who reported having 52 dependents. Since the NBER-Internet TAXSIM calculator will not process any records that have 16 or more dependents indicated, the maximum number of dependents is capped at 15.

HRS Variables Used

RAND HRS Fat Files:

HRS 2000:	
G2489	D153.DEPENDENTS
G2490	D153A.NUMBER
HRS 2002:	
HE118	ANY DEPENDENTS
HE119	NUM DEPENDENTS
HRS 2004:	
JE118	ANY DEPENDENTS
JE119	NUM DEPENDENTS
HRS 2006:	
KE118	ANY DEPENDENTS
KE119	NUM DEPENDENTS
HRS 2008:	
LE118	ANY DEPENDENTS
LE119	NUM DEPENDENTS
HRS 2010:	
ME118	ANY DEPENDENTS
ME119	NUM DEPENDENTS
HRS 2012:	
NE118	ANY DEPENDENTS
NE119	NUM DEPENDENTS
HRS 2014:	
OE118	ANY DEPENDENTS
OE119	NUM DEPENDENTS

Item #6: Number of Taxpayers Over 65 Years of Age
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Wave	Variable	Label	Type
5	W5ITEM_6	W5ITEM_6: W5 Number of Taxpayers Over 65 Years of Age	Cont
6	W6ITEM_6	W6ITEM_6: W6 Number of Taxpayers Over 65 Years of Age	Cont
7	W7ITEM_6	W7ITEM_6: W7 Number of Taxpayers Over 65 Years of Age	Cont
8	W8ITEM_6	W8ITEM_6: W8 Number of Taxpayers Over 65 Years of Age	Cont
9	W9ITEM_6	W9ITEM_6: W9 Number of Taxpayers Over 65 Years of Age	Cont
10	W10ITEM_6	W10ITEM_6: W10 Number of Taxpayers Over 65 Years of Age	Cont
11	W11ITEM_6	W11ITEM_6: W11 Number of Taxpayers Over 65 Years of Age	Cont
12	W12ITEM_6	W12ITEM_6: W12 Number of Taxpayers Over 65 Years of Age	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_6	19579	0.84	0.80	0.0	2.0
W6ITEM_6	18165	0.91	0.79	0.0	2.0
W7ITEM_6	20129	0.85	0.80	0.0	2.0
W8ITEM_6	18469	0.94	0.79	0.0	2.0
W9ITEM_6	17217	1.02	0.78	0.0	2.0
W10ITEM_6	22034	0.77	0.81	0.0	2.0
W11ITEM_6	20554	0.80	0.81	0.0	2.0
W12ITEM_6	18747	0.84	0.81	0.0	2.0

How Constructed

The taxpayer(s) had to have turned 65 during the tax year in question to claim the exemption. Therefore, to assess whether this is the case, we simply subtract the year of birth (taken from the RAND HRS Longitudinal File 2014 (V2)) from the tax year. Thus, for the Respondents to HRS 2000, the calculation is 1999 - year of birth; for the Respondents to HRS 2002, 2004, 2006, 2008, 2010, 2012, and 2014 the calculation is 2001 or 2002 - year of birth, 2003 or 2004 - year of birth, 2005 or 2006 - year of birth, 2007 or 2008 - year of birth, 2009 or 2010 - year of birth, 2011 or 2012 - year of birth, and 2013 or 2014 - year of birth, respectively, depending on the year in which the Respondent completed the interview. For married couples, if one member's age is missing, we use the age given for the other Respondent.

HRS Variables Used

RAND HRS Longitudinal File:

RABDATE	RABDATE: R birth date
R5IWENDY	R5IWENDY:W5 Interview End Year
R6IWENDY	R6IWENDY:W6 Interview End Year
R7IWENDY	R7IWENDY:W7 Interview End Year
R8IWENDY	R8IWENDY:W8 Interview End Year
R9IWENDY	R9IWENDY:W9 Interview End Year
R10IWENDY	R10IWENDY:W10 Interview End Year
R11IWENDY	R11IWENDY:W11 Interview End Year
R12IWENDY	R12IWENDY:W12 Interview End Year
S5BDATE	S5BDATE: S birth date
S6BDATE	S6BDATE: S birth date
S7BDATE	S7BDATE: S birth date
S8BDATE	S8BDATE: S birth date

S9BDATE	S9BDATE: S birth date
S10BDATE	S10BDATE: S birth date
S11BDATE	S11BDATE: S birth date
S12BDATE	S12BDATE: S birth date

Item #7: Wage and Salary Income of Taxpayer
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Wave	Variable	Label	Type
5	W5ITEM_7	W5ITEM_7: W5 Wage & Salary Income of Taxpayer	Cont
6	W6ITEM_7	W6ITEM_7: W6 Wage & Salary Income of Taxpayer	Cont
7	W7ITEM_7	W7ITEM_7: W7 Wage & Salary Income of Taxpayer	Cont
8	W8ITEM_7	W8ITEM_7: W8 Wage & Salary Income of Taxpayer	Cont
9	W9ITEM_7	W9ITEM_7: W9 Wage & Salary Income of Taxpayer	Cont
10	W10ITEM_7	W10ITEM_7: W10 Wage & Salary Income of Taxpayer	Cont
11	W11ITEM_7	W11ITEM_7: W11 Wage & Salary Income of Taxpayer	Cont
12	W12ITEM_7	W12ITEM_7: W12 Wage & Salary Income of Taxpayer	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_7	19579	10879.46	29811.36	0.0	2000000.0
W6ITEM_7	18165	10706.43	28333.91	0.0	757000.0
W7ITEM_7	20129	14117.66	37776.78	0.0	2000000.0
W8ITEM_7	18469	13105.53	57682.38	0.0	6525000.0
W9ITEM_7	17217	12809.24	35515.12	0.0	1425000.0
W10ITEM_7	22034	16994.85	39414.70	0.0	1400000.0
W11ITEM_7	20554	16298.31	39898.94	0.0	1053000.0
W12ITEM_7	18747	16013.02	42036.22	0.0	1600000.0

How Constructed

For the Respondent's wage and salary income, we use the variables R5IEARN, R6IEARN, R7IEARN, R8IEARN, R9IEARN, R10IEARN, R11IEARN, and R12IEARN for the HRS 2000, 2002, 2004, 2006, 2008, 2010, 2012, and 2014 tax calculations, respectively. These variables are taken from the RAND HRS Detailed Imputations File 2014 (V2).

HRS Variables Used

RAND HRS Detailed Imputations File:

R5IEARN	R5IEARN:W5 Income:R Earnings
R6IEARN	R6IEARN:W6 Income:R Earnings
R7IEARN	R7IEARN:W7 Income:R Earnings
R8IEARN	R8IEARN:W8 Income:R Earnings
R9IEARN	R9IEARN:W9 Income:R Earnings
R10IEARN	R10IEARN:W10 Income:R Earnings
R11IEARN	R11IEARN:W11 Income:R Earnings
R12IEARN	R12IEARN:W12 Income:R Earnings

Item #8: Wage and Salary Income of Spouse
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Wave	Variable	Label	Type
5	W5ITEM_8	W5ITEM_8: W5 Wage & Salary Income of Spouse	Cont
6	W6ITEM_8	W6ITEM_8: W6 Wage & Salary Income of Spouse	Cont
7	W7ITEM_8	W7ITEM_8: W7 Wage & Salary Income of Spouse	Cont
8	W8ITEM_8	W8ITEM_8: W8 Wage & Salary Income of Spouse	Cont
9	W9ITEM_8	W9ITEM_8: W9 Wage & Salary Income of Spouse	Cont
10	W10ITEM_8	W10ITEM_8: W10 Wage & Salary Income of Spouse	Cont
11	W11ITEM_8	W11ITEM_8: W11 Wage & Salary Income of Spouse	Cont
12	W12ITEM_8	W12ITEM_8: W12 Wage & Salary Income of Spouse	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_8	19579	8167.72	23343.00	0.0	705000.0
W6ITEM_8	18165	8039.62	25569.57	0.0	757000.0
W7ITEM_8	20129	10823.50	36393.04	0.0	2000000.0
W8ITEM_8	18469	9596.62	29931.58	0.0	1100000.0
W9ITEM_8	17217	9525.78	33175.33	0.0	1425000.0
W10ITEM_8	22034	11820.34	34543.34	0.0	1400000.0
W11ITEM_8	20554	11563.01	36466.35	0.0	1053000.0
W12ITEM_8	18747	11485.16	37927.95	0.0	1000000.0

How Constructed

For the spouse's wage and salary income, we use the variables S5IEARN, S6IEARN, S7IEARN, S8IEARN, S9IEARN, S10IEARN, S11IEARN, and S12IEARN for the HRS 2000, 2002, 2004, 2006, 2008, 2010, 2012, and 2014 tax calculations, respectively. These variables are taken from the RAND HRS Detailed Imputations File 2014 (V2).

HRS Variables Used

RAND HRS Detailed Imputations File:

S5IEARN	S5IEARN:W5 Income:Sp Earnings
S6IEARN	S6IEARN:W6 Income:Sp Earnings
S7IEARN	S7IEARN:W7 Income:Sp Earnings
S8IEARN	S8IEARN:W8 Income:Sp Earnings
S9IEARN	S9IEARN:W9 Income:Sp Earnings
S10IEARN	S10IEARN:W10 Income:Sp Earnings
S11IEARN	S11IEARN:W11 Income:Sp Earnings
S12IEARN	S12IEARN:W12 Income:Sp Earnings

Item #9: Dividend Income

Wave	Variable	Label	Type
5	W5ITEM_9	W5ITEM_9: W5 Dividend Income	Cont
6	W6ITEM_9	W6ITEM_9: W6 Dividend Income	Cont
7	W7ITEM_9	W7ITEM_9: W7 Dividend Income	Cont
8	W8ITEM_9	W8ITEM_9: W8 Dividend Income	Cont
9	W9ITEM_9	W9ITEM_9: W9 Dividend Income	Cont
10	W10ITEM_9	W10ITEM_9: W10 Dividend Income	Cont
11	W11ITEM_9	W11ITEM_9: W11 Dividend Income	Cont
12	W12ITEM_9	W12ITEM_9: W12 Dividend Income	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_9	19579	2838.43	22174.26	0.0	1595383.9
W6ITEM_9	18165	1697.84	12560.58	0.0	720000.0
W7ITEM_9	20129	1469.55	8852.45	0.0	414282.4
W8ITEM_9	18469	2455.57	27153.12	0.0	1726597.5
W9ITEM_9	17217	3137.85	33361.52	0.0	1929685.8
W10ITEM_9	22034	2012.62	29936.54	0.0	2383318.0
W11ITEM_9	20554	2343.29	49027.40	0.0	4390469.8
W12ITEM_9	18747	2617.70	47585.12	0.0	5500000.0

How Constructed

For household dividend income, we use the variables H5IDIVIN, H6IDIVIN, H7IDIVIN, H8IDIVIN, H9IDIVIN, H10IDIVIN, H11IDIVIN, and H12IDIVIN for the HRS 2000, 2002, 2004, 2006, 2008, 2010, 2012, and 2014 tax calculations, respectively. These variables are taken from the RAND HRS Detailed Imputations File 2014 (V2). For Respondents whose marital status is "partnered", we divide the amount of dividend income in half.

HRS Variables Used

RAND HRS Detailed Imputations File:

H5IDIVIN	H5IDIVIN:W5 IncPart-Dividend Inc
H6IDIVIN	H6IDIVIN:W6 IncPart-Dividend Inc
H7IDIVIN	H7IDIVIN:W7 IncPart-Dividend Inc
H8IDIVIN	H8IDIVIN:W8 IncPart-Dividend Inc
H9IDIVIN	H9IDIVIN:W9 IncPart-Dividend Inc
H10IDIVIN	H10IDIVIN:W10 IncPart-Dividend Inc
H11IDIVIN	H11IDIVIN:W11 IncPart-Dividend Inc
H12IDIVIN	H12IDIVIN:W12 IncPart-Dividend Inc

RAND HRS Longitudinal File:

R5MSTAT	R5MSTAT:W5 R Marital Status
R6MSTAT	R6MSTAT:W6 R Marital Status
R7MSTAT	R7MSTAT:W7 R Marital Status
R8MSTAT	R8MSTAT:W8 R Marital Status
R9MSTAT	R9MSTAT:W9 R Marital Status
R10MSTAT	R10MSTAT:W10 R Marital Status
R11MSTAT	R11MSTAT:W11 R Marital Status
R12MSTAT	R12MSTAT:W12 R Marital Status

Item #10: Other Property Income
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Wave	Variable	Label	Type
5	W5ITEM_10	W5ITEM_10: W5 Other Property Income	Cont
6	W6ITEM_10	W6ITEM_10: W6 Other Property Income	Cont
7	W7ITEM_10	W7ITEM_10: W7 Other Property Income	Cont
8	W8ITEM_10	W8ITEM_10: W8 Other Property Income	Cont
9	W9ITEM_10	W9ITEM_10: W9 Other Property Income	Cont
10	W10ITEM_10	W10ITEM_10: W10 Other Property Income	Cont
11	W11ITEM_10	W11ITEM_10: W11 Other Property Income	Cont
12	W12ITEM_10	W12ITEM_10: W12 Other Property Income	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_10	19579	14692.35	77071.69	0.0	5051480.0
W6ITEM_10	18165	13299.90	76793.58	0.0	7331585.0
W7ITEM_10	20129	17349.81	79283.57	0.0	3540230.0
W8ITEM_10	18469	20679.24	284637.29	0.0	25456300.0
W9ITEM_10	17217	18811.48	100781.05	0.0	5418472.9
W10ITEM_10	22034	14686.62	69560.88	0.0	3000000.0
W11ITEM_10	20554	16320.37	105707.79	0.0	7018000.0
W12ITEM_10	18747	15951.90	95040.34	0.0	4052000.0

How Constructed

For other property income, we use several variables from the RAND HRS Detailed Imputations File 2014 (V2). Income at the household level includes income from business (HwIBUSIN), rentals (HwIRNTIN), trusts (HwITRSIN), alimony (HwIALMNY), bonds (HwIBNDIN), checking/savings interest (HwICHKIN), CDs (HwICDIN), lump sums (HwILUYR1-HwILUYR3), and "other" (HwIOTHI1-HwIOTHI2) forms of income. We also use self-employment income (RwISEMP, SwISEMP), which is derived at the individual level.

(Note: From HRS 2004 forward, income from trusts and alimony were not measured).

For "partnered" persons, other taxable income is calculated by taking the sum of the Respondent's self-employment income plus half the household components. For "married" persons, self-employment income for both the Respondent and spouse are added to the household components.

HRS Variables Used

RAND HRS Detailed Imputations File:

H5IALMNY	H5IALMNY:W5 IncPart-Alimony
H6IALMNY	H6IALMNY:W6 IncPart-Alimony
H5IBNDIN	H5IBNDIN:W5 IncPart-Bonds Income
H6IBNDIN	H6IBNDIN:W6 IncPart-Bonds Income
H7IBNDIN	H7IBNDIN:W7 IncPart-Bonds Income
H8IBNDIN	H8IBNDIN:W8 IncPart-Bonds Income
H9IBNDIN	H9IBNDIN:W9 IncPart-Bonds Income
H10IBNDIN	H10IBNDIN:W10 IncPart-Bonds Income

H11IBNDIN	H11IBNDIN:W11 IncPart-Bonds Income
H12IBNDIN	H12IBNDIN:W12 IncPart-Bonds Income
H5IBUSIN	H5IBUSIN:W5 IncPart-Business Inc
H6IBUSIN	H6IBUSIN:W6 IncPart-Business Inc
H7IBUSIN	H7IBUSIN:W7 IncPart-Business Inc
H8IBUSIN	H8IBUSIN:W8 IncPart-Business Inc
H9IBUSIN	H9IBUSIN:W9 IncPart-Business Inc
H10IBUSIN	H10IBUSIN:W10 IncPart-Business Inc
H11IBUSIN	H11IBUSIN:W11 IncPart-Business Inc
H12IBUSIN	H12IBUSIN:W12 IncPart-Business Inc
H5ICDIN	H5ICDIN:W5 IncPart-CD Income
H6ICDIN	H6ICDIN:W6 IncPart-CD Income
H7ICDIN	H7ICDIN:W7 IncPart-CD Income
H8ICDIN	H8ICDIN:W8 IncPart-CD Income
H9ICDIN	H9ICDIN:W9 IncPart-CD Income
H10ICDIN	H10ICDIN:W10 IncPart-CD Income
H11ICDIN	H11ICDIN:W11 IncPart-CD Income
H12ICDIN	H12ICDIN:W12 IncPart-CD Income
H5ICHKIN	H5ICHKIN:W5 IncPart-Chk/Sv Interest Income
H6ICHKIN	H6ICHKIN:W6 IncPart-Chk/Sv Interest Income
H7ICHKIN	H7ICHKIN:W7 IncPart-Chk/Sv Interest Income
H8ICHKIN	H8ICHKIN:W8 IncPart-Chk/Sv Interest Income
H9ICHKIN	H9ICHKIN:W9 IncPart-Chk/Sv Interest Income
H10ICHKIN	H10ICHKIN:W10 IncPart-Chk/Sv Interest Income
H11ICHKIN	H11ICHKIN:W11 IncPart-Chk/Sv Interest Income
H12ICHKIN	H12ICHKIN:W12 IncPart-Chk/Sv Interest Income
H5ILUYR1	H5ILUYR1:W5 IncPart-Lump Sum Inc #1
H6ILUYR1	H6ILUYR1:W6 IncPart-Lump Sum Inc #1
H7ILUYR1	H7ILUYR1:W7 IncPart-Lump Sum LCY Inc #1
H8ILUYR1	H8ILUYR1:W8 IncPart-Lump Sum LCY Inc #1
H9ILUYR1	H9ILUYR1:W9 IncPart-Lump Sum LCY Inc #1
H10ILUYR1	H10ILUYR1:W10 IncPart-Lump Sum LCY Inc #1
H11ILUYR1	H11ILUYR1:W11 IncPart-Lump Sum LCY Inc #1
H12ILUYR1	H12ILUYR1:W12 IncPart-Lump Sum LCY Inc #1
H5ILUYR2	H5ILUYR2:W5 IncPart-Lump Sum Inc #2
H6ILUYR2	H6ILUYR2:W6 IncPart-Lump Sum Inc #2
H7ILUYR2	H7ILUYR2:W7 IncPart-Lump Sum LCY Inc #2
H8ILUYR2	H8ILUYR2:W8 IncPart-Lump Sum LCY Inc #2
H9ILUYR2	H9ILUYR2:W9 IncPart-Lump Sum LCY Inc #2
H10ILUYR2	H10ILUYR2:W10 IncPart-Lump Sum LCY Inc #2
H11ILUYR2	H11ILUYR2:W11 IncPart-Lump Sum LCY Inc #2
H12ILUYR2	H12ILUYR2:W12 IncPart-Lump Sum LCY Inc #2
H5ILUYR3	H5ILUYR3:W5 IncPart-Lump Sum Inc #3
H6ILUYR3	H6ILUYR3:W6 IncPart-Lump Sum Inc #3
H7ILUYR3	H7ILUYR3:W7 IncPart-Lump Sum LCY Inc #3
H8ILUYR3	H8ILUYR3:W8 IncPart-Lump Sum LCY Inc #3
H9ILUYR3	H9ILUYR3:W9 IncPart-Lump Sum LCY Inc #3
H10ILUYR3	H10ILUYR3:W10 IncPart-Lump Sum LCY Inc #3
H11ILUYR3	H11ILUYR3:W11 IncPart-Lump Sum LCY Inc #3
H12ILUYR3	H12ILUYR3:W12 IncPart-Lump Sum LCY Inc #3
H5IOTHI1	H5IOTHI1:W5 IncPart-Other HH Inc #1
H6IOTHI1	H6IOTHI1:W6 IncPart-Other HH Inc #1
H7IOTHI1	H7IOTHI1:W7 IncPart-Other HH Inc #1
H8IOTHI1	H8IOTHI1:W8 IncPart-Other HH Inc #1
H9IOTHI1	H9IOTHI1:W9 IncPart-Other HH Inc #1
H10IOTHI1	H10IOTHI1:W10 IncPart-Other HH Inc #1
H11IOTHI1	H11IOTHI1:W11 IncPart-Other HH Inc #1
H12IOTHI1	H12IOTHI1:W12 IncPart-Other HH Inc #1
H5IOTHI2	H5IOTHI2:W5 IncPart-Other HH Inc #2

H6IOTHI2	H6IOTHI2:W6 IncPart-Other HH Inc #2
H7IOTHI2	H7IOTHI2:W7 IncPart-Other HH Inc #2
H8IOTHI2	H8IOTHI2:W8 IncPart-Other HH Inc #2
H9IOTHI2	H9IOTHI2:W9 IncPart-Other HH Inc #2
H10IOTHI2	H10IOTHI2:W10 IncPart-Other HH Inc #2
H11IOTHI2	H11IOTHI2:W11 IncPart-Other HH Inc #2
H12IOTHI2	H12IOTHI2:W12 IncPart-Other HH Inc #2
H5IRNTIN	H5IRNTIN:W5 IncPart-Rental Inc
H6IRNTIN	H6IRNTIN:W6 IncPart-Rental Inc
H7IRNTIN	H7IRNTIN:W7 IncPart-Rental Inc
H8IRNTIN	H8IRNTIN:W8 IncPart-Rental Inc
H9IRNTIN	H9IRNTIN:W9 IncPart-Rental Inc
H10IRNTIN	H10IRNTIN:W10 IncPart-Rental Inc
H11IRNTIN	H11IRNTIN:W11 IncPart-Rental Inc
H12IRNTIN	H12IRNTIN:W12 IncPart-Rental Inc
H5ITRSIN	H5ITRSIN:W5 IncPart-Trust Inc
H6ITRSIN	H6ITRSIN:W6 IncPart-Trust Inc
R5ISEMP	R5ISEMP:W5 IncPart-Self-Employment Inc
R6ISEMP	R6ISEMP:W6 IncPart-Self-Employment Inc
R7ISEMP	R7ISEMP:W7 IncPart-Self-Employment Inc
R8ISEMP	R8ISEMP:W8 IncPart-Self-Employment Inc
R9ISEMP	R9ISEMP:W9 IncPart-Self-Employment Inc
R10ISEMP	R10ISEMP:W10 IncPart-Self-Employment Inc
R11ISEMP	R11ISEMP:W11 IncPart-Self-Employment Inc
R12ISEMP	R12ISEMP:W12 IncPart-Self-Employment Inc
S5ISEMP	S5ISEMP:W5 IncPart-Self-Employment Inc
S6ISEMP	S6ISEMP:W6 IncPart-Self-Employment Inc
S7ISEMP	S7ISEMP:W7 IncPart-Self-Employment Inc
S8ISEMP	S8ISEMP:W8 IncPart-Self-Employment Inc
S9ISEMP	S9ISEMP:W9 IncPart-Self-Employment Inc
S10ISEMP	S10ISEMP:W10 IncPart-Self-Employment Inc
S11ISEMP	S11ISEMP:W11 IncPart-Self-Employment Inc
S12ISEMP	S12ISEMP:W12 IncPart-Self-Employment Inc

RAND HRS Longitudinal File:

R5MSTAT	R5MSTAT:W5 R Marital Status
R6MSTAT	R6MSTAT:W6 R Marital Status
R7MSTAT	R7MSTAT:W7 R Marital Status
R8MSTAT	R8MSTAT:W8 R Marital Status
R9MSTAT	R9MSTAT:W9 R Marital Status
R10MSTAT	R10MSTAT:W10 R Marital Status
R11MSTAT	R11MSTAT:W11 R Marital Status
R12MSTAT	R12MSTAT:W12 R Marital Status

Item #11: Taxable Pensions and IRA Distributions

Wave	Variable	Label	Type
5	W5ITEM_11	W5ITEM_11: W5 Taxable Pensions and IRA Distributions	Cont
6	W6ITEM_11	W6ITEM_11: W6 Taxable Pensions and IRA Distributions	Cont
7	W7ITEM_11	W7ITEM_11: W7 Taxable Pensions and IRA Distributions	Cont
8	W8ITEM_11	W8ITEM_11: W8 Taxable Pensions and IRA Distributions	Cont
9	W9ITEM_11	W9ITEM_11: W9 Taxable Pensions and IRA Distributions	Cont
10	W10ITEM_11	W10ITEM_11: W10 Taxable Pensions and IRA Distributions	Cont
11	W11ITEM_11	W11ITEM_11: W11 Taxable Pensions and IRA Distributions	Cont
12	W12ITEM_11	W12ITEM_11: W12 Taxable Pensions and IRA Distributions	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_11	19579	7970.38	23036.39	0.0	1116000.0
W6ITEM_11	18165	8794.80	23840.37	0.0	1196388.0
W7ITEM_11	20129	9107.07	43855.28	0.0	2748372.0
W8ITEM_11	18469	9577.30	30726.19	0.0	1390440.0
W9ITEM_11	17217	14345.28	461392.26	0.0	60000000.0
W10ITEM_11	22034	7762.19	42868.49	0.0	5449560.0
W11ITEM_11	20554	9317.57	27951.82	0.0	1152000.0
W12ITEM_11	18747	10519.09	35132.49	0.0	2160000.0

How Constructed

For taxable pensions and IRA distributions, we use several variables from the RAND HRS Detailed Imputations File 2014 (V2). These include pensions (RwIPEN1,RwIPEN2,RwIPEN3,SwIPEN1,SwIPEN2,SwIPEN3) and annuities (RwIANN1,RwIANN2,RwIANN3,SwIANN1,SwIANN2,SwIANN3), all of which are all derived at the individual level.

Beginning with the RAND HRS Tax Calculations 2014 (V1), we have added total IRA withdrawals (RwIIRAW, RwIIRAW) to these calculations. We impute IRA withdrawals using the same methodology described in both Section 2 (Income and Wealth Imputations) of the RAND HRS Detailed Imputations File 2014 (V2) Codebook, and Section 3 (Income and Wealth Imputations) of the RAND HRS Longitudinal File 2014 (V2) Codebook for imputing income. Please refer to the Appendix, Section B: IRA Withdrawals, for details.

(Note: Hawaii and Maryland are the only two states where pensions and IRA distributions are handled differently. Since we do not know the state of residence beforehand, we simply process pensions and IRA distributions in the same way for everyone.)

For "married" persons, Respondent and spouse income from pensions, annuities, and IRA withdrawals are added together. For everyone else, only the Respondent's income is used.

HRS Variables Used

RAND HRS Detailed Imputations File:

R5IANN1	R5IANN1:W5 IncPart-Annuity #1 Inc
R6IANN1	R6IANN1:W6 IncPart-Annuity #1 Inc
R7IANN1	R7IANN1:W7 IncPart-Annuity #1 Inc

R8IANN1	R8IANN1:W8 IncPart-Annuity #1 Inc
R9IANN1	R9IANN1:W9 IncPart-Annuity #1 Inc
R10IANN1	R10IANN1:W10 IncPart-Annuity #1 Inc
R11IANN1	R11IANN1:W11 IncPart-Annuity #1 Inc
R12IANN1	R12IANN1:W12 IncPart-Annuity #1 Inc
R5IANN2	R5IANN2:W5 IncPart-Annuity #2 Inc
R6IANN2	R6IANN2:W6 IncPart-Annuity #2 Inc
R7IANN2	R7IANN2:W7 IncPart-Annuity #2 Inc
R8IANN2	R8IANN2:W8 IncPart-Annuity #2 Inc
R9IANN2	R9IANN2:W9 IncPart-Annuity #2 Inc
R10IANN2	R10IANN2:W10 IncPart-Annuity #2 Inc
R11IANN2	R11IANN2:W11 IncPart-Annuity #2 Inc
R12IANN2	R12IANN2:W12 IncPart-Annuity #2 Inc
R5IANN3	R5IANN3:W5 IncPart-Annuity #3 Inc
R6IANN3	R6IANN3:W6 IncPart-Annuity #3 Inc
R7IANN3	R7IANN3:W7 IncPart-Annuity #3 Inc
R8IANN3	R8IANN3:W8 IncPart-Annuity #3 Inc
R9IANN3	R9IANN3:W9 IncPart-Annuity #3 Inc
R10IANN3	R10IANN3:W10 IncPart-Annuity #3 Inc
R11IANN3	R11IANN3:W11 IncPart-Annuity #3 Inc
R12IANN3	R12IANN3:W12 IncPart-Annuity #3 Inc
R5IIRAW	R5IIRAW: W5 Income:R Total IRA Withdrawals
R6IIRAW	R6IIRAW: W6 Income:R Total IRA Withdrawals
R7IIRAW	R7IIRAW: W7 Income:R Total IRA Withdrawals
R8IIRAW	R8IIRAW: W8 Income:R Total IRA Withdrawals
R9IIRAW	R9IIRAW: W9 Income:R Total IRA Withdrawals
R10IIRAW	R10IIRAW: W10 Income:R Total IRA Withdrawals
R11IIRAW	R11IIRAW: W11 Income:R Total IRA Withdrawals
R12IIRAW	R12IIRAW: W12 Income:R Total IRA Withdrawals
R5IPEN1	R5IPEN1:W5 IncPart-Pension #1 Inc
R6IPEN1	R6IPEN1:W6 IncPart-Pension #1 Inc
R7IPEN1	R7IPEN1:W7 IncPart-Pension #1 Inc
R8IPEN1	R8IPEN1:W8 IncPart-Pension #1 Inc
R9IPEN1	R9IPEN1:W9 IncPart-Pension #1 Inc
R10IPEN1	R10IPEN1:W10 IncPart-Pension #1 Inc
R11IPEN1	R11IPEN1:W11 IncPart-Pension #1 Inc
R12IPEN1	R12IPEN1:W12 IncPart-Pension #1 Inc
R5IPEN2	R5IPEN2:W5 IncPart-Pension #2 Inc
R6IPEN2	R6IPEN2:W6 IncPart-Pension #2 Inc
R7IPEN2	R7IPEN2:W7 IncPart-Pension #2 Inc
R8IPEN2	R8IPEN2:W8 IncPart-Pension #2 Inc
R9IPEN2	R9IPEN2:W9 IncPart-Pension #2 Inc
R10IPEN2	R10IPEN2:W10 IncPart-Pension #2 Inc
R11IPEN2	R11IPEN2:W11 IncPart-Pension #2 Inc
R12IPEN2	R12IPEN2:W12 IncPart-Pension #2 Inc
R5IPEN3	R5IPEN3:W5 IncPart-Pension #3 Inc
R6IPEN3	R6IPEN3:W6 IncPart-Pension #3 Inc
R7IPEN3	R7IPEN3:W7 IncPart-Pension #3 Inc
R8IPEN3	R8IPEN3:W8 IncPart-Pension #3 Inc
R9IPEN3	R9IPEN3:W9 IncPart-Pension #3 Inc
R10IPEN3	R10IPEN3:W10 IncPart-Pension #3 Inc
R11IPEN3	R11IPEN3:W11 IncPart-Pension #3 Inc
R12IPEN3	R12IPEN3:W12 IncPart-Pension #3 Inc
S5IANN1	S5IANN1:W5 IncPart-Annuity #1 Inc
S6IANN1	S6IANN1:W6 IncPart-Annuity #1 Inc
S7IANN1	S7IANN1:W7 IncPart-Annuity #1 Inc
S8IANN1	S8IANN1:W8 IncPart-Annuity #1 Inc
S9IANN1	S9IANN1:W9 IncPart-Annuity #1 Inc
S10IANN1	S10IANN1:W10 IncPart-Annuity #1 Inc

S11IANN1	S11IANN1:W11 IncPart-Annuity #1 Inc
S12IANN1	S12IANN1:W12 IncPart-Annuity #1 Inc
S5IANN2	S5IANN2:W5 IncPart-Annuity #2 Inc
S6IANN2	S6IANN2:W6 IncPart-Annuity #2 Inc
S7IANN2	S7IANN2:W7 IncPart-Annuity #2 Inc
S8IANN2	S8IANN2:W8 IncPart-Annuity #2 Inc
S9IANN2	S9IANN2:W9 IncPart-Annuity #2 Inc
S10IANN2	S10IANN2:W10 IncPart-Annuity #2 Inc
S11IANN2	S11IANN2:W11 IncPart-Annuity #2 Inc
S12IANN2	S12IANN2:W12 IncPart-Annuity #2 Inc
S5IANN3	S5IANN3:W5 IncPart-Annuity #3 Inc
S6IANN3	S6IANN3:W6 IncPart-Annuity #3 Inc
S7IANN3	S7IANN3:W7 IncPart-Annuity #3 Inc
S8IANN3	S8IANN3:W8 IncPart-Annuity #3 Inc
S9IANN3	S9IANN3:W9 IncPart-Annuity #3 Inc
S10IANN3	S10IANN3:W10 IncPart-Annuity #3 Inc
S11IANN3	S11IANN3:W11 IncPart-Annuity #3 Inc
S12IANN3	S12IANN3:W12 IncPart-Annuity #3 Inc
S5IIRAW	S5IIRAW: W5 Income:Sp Total IRA Withdrawals
S6IIRAW	S6IIRAW: W6 Income:Sp Total IRA Withdrawals
S7IIRAW	S7IIRAW: W7 Income:Sp Total IRA Withdrawals
S8IIRAW	S8IIRAW: W8 Income:Sp Total IRA Withdrawals
S9IIRAW	S9IIRAW: W9 Income:Sp Total IRA Withdrawals
S10IIRAW	S10IIRAW: W10 Income:Sp Total IRA Withdrawals
S11IIRAW	S11IIRAW: W11 Income:Sp Total IRA Withdrawals
S12IIRAW	S12IIRAW: W12 Income:Sp Total IRA Withdrawals
S5IPEN1	S5IPEN1:W5 IncPart-Pension #1 Inc
S6IPEN1	S6IPEN1:W6 IncPart-Pension #1 Inc
S7IPEN1	S7IPEN1:W7 IncPart-Pension #1 Inc
S8IPEN1	S8IPEN1:W8 IncPart-Pension #1 Inc
S9IPEN1	S9IPEN1:W9 IncPart-Pension #1 Inc
S10IPEN1	S10IPEN1:W10 IncPart-Pension #1 Inc
S11IPEN1	S11IPEN1:W11 IncPart-Pension #1 Inc
S12IPEN1	S12IPEN1:W12 IncPart-Pension #1 Inc
S5IPEN2	S5IPEN2:W5 IncPart-Pension #2 Inc
S6IPEN2	S6IPEN2:W6 IncPart-Pension #2 Inc
S7IPEN2	S7IPEN2:W7 IncPart-Pension #2 Inc
S8IPEN2	S8IPEN2:W8 IncPart-Pension #2 Inc
S9IPEN2	S9IPEN2:W9 IncPart-Pension #2 Inc
S10IPEN2	S10IPEN2:W10 IncPart-Pension #2 Inc
S11IPEN2	S11IPEN2:W11 IncPart-Pension #2 Inc
S12IPEN2	S12IPEN2:W12 IncPart-Pension #2 Inc
S5IPEN3	S5IPEN3:W5 IncPart-Pension #3 Inc
S6IPEN3	S6IPEN3:W6 IncPart-Pension #3 Inc
S7IPEN3	S7IPEN3:W7 IncPart-Pension #3 Inc
S8IPEN3	S8IPEN3:W8 IncPart-Pension #3 Inc
S9IPEN3	S9IPEN3:W9 IncPart-Pension #3 Inc
S10IPEN3	S10IPEN3:W10 IncPart-Pension #3 Inc
S11IPEN3	S11IPEN3:W11 IncPart-Pension #3 Inc
S12IPEN3	S12IPEN3:W12 IncPart-Pension #3 Inc

RAND HRS Longitudinal File:

R5MSTAT	R5MSTAT:W5 R Marital Status
R6MSTAT	R6MSTAT:W6 R Marital Status
R7MSTAT	R7MSTAT:W7 R Marital Status
R8MSTAT	R8MSTAT:W8 R Marital Status
R9MSTAT	R9MSTAT:W9 R Marital Status
R10MSTAT	R10MSTAT:W10 R Marital Status
R11MSTAT	R11MSTAT:W11 R Marital Status

R12MSTAT R12MSTAT:W12 R Marital Status

Item #12: Gross Social Security Benefits

Wave	Variable	Label	Type
5	W5ITEM_12	W5ITEM_12: W5 Gross Social Security Benefits	Cont
6	W6ITEM_12	W6ITEM_12: W6 Gross Social Security Benefits	Cont
7	W7ITEM_12	W7ITEM_12: W7 Gross Social Security Benefits	Cont
8	W8ITEM_12	W8ITEM_12: W8 Gross Social Security Benefits	Cont
9	W9ITEM_12	W9ITEM_12: W9 Gross Social Security Benefits	Cont
10	W10ITEM_12	W10ITEM_12: W10 Gross Social Security Benefits	Cont
11	W11ITEM_12	W11ITEM_12: W11 Gross Social Security Benefits	Cont
12	W12ITEM_12	W12ITEM_12: W12 Gross Social Security Benefits	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_12	19579	8210.09	7612.15	0.0	41169.6
W6ITEM_12	18165	10146.55	8396.58	0.0	50343.2
W7ITEM_12	20129	9861.82	9011.21	0.0	48367.0
W8ITEM_12	18469	11548.52	9777.10	0.0	69076.8
W9ITEM_12	17217	13038.12	10557.53	0.0	74539.2
W10ITEM_12	22034	11188.69	11709.20	0.0	69126.5
W11ITEM_12	20554	12027.36	12186.75	0.0	82800.0
W12ITEM_12	18747	13255.31	12769.64	0.0	90544.8

How Constructed

For gross Social Security benefits, we sum two variables from the RAND HRS Detailed Imputations File 2014 (V2): Social Security Retirement Income (RwISS, SwISS), and Social Security Disability Income (RwISDI, SwISDI).

Because Respondents report Social Security income net of any deductions, we also include a variable from the interview, which asks whether Respondents were enrolled in Supplementary Medical Insurance (Part B) for all survey years. In HRS 2008 and 2010, we include other variables that ask Respondents about their enrollment in the Medicare Prescription Drug Plan (Part D). The rules and assumptions we use to determine both whether, and for how many months, Part B and/or Part D premiums were deducted from Social Security income can be found in the Appendix, Section C: Medicare Part B and Part D Premiums.

Individuals enrolled in Part B pay a monthly premium that varies by tax year, and is automatically deducted from their Social Security income. These can be found at <http://fas.org/sgp/crs/misc/R40082.pdf>, and are as follows:

Tax year 1999: \$45.50 per month

Tax year 2001: \$50.00 per month

Tax year 2002: \$54.00 per month

Tax year 2003: \$58.70 per month

Tax year 2004: \$66.60 per month

Tax year 2005: \$78.20 per month

Tax year 2006: \$88.50 per month

Tax year 2007: \$93.50 per month

Tax year 2008: \$96.40 per month

Tax year 2009: \$96.40 per month

Tax year 2010: \$110.50 per month

Tax year 2011: \$115.40 per month

Tax year 2012: \$99.90 per month

Tax year 2013: \$104.90 per month

Tax year 2014: \$104.90 per month

These deductions are added to reported Social Security income to arrive at the gross amount. Starting in 2007, additional premiums are deducted for individuals in higher income brackets. These additional premiums depend on Modified Adjusted Gross Income (MAGI). MAGI is defined as Adjusted Gross Income (AGI) plus deductions related to:

- Student loan interest
- One-half of self-employment tax
- Qualified tuition expenses
- Tuition and fees deduction
- Passive loss or passive income
- IRA contributions, taxable Social Security payments
- The exclusion for income from U.S. savings bonds
- The exclusion under 137 for adoption expenses
- Rental losses
- Any overall loss from a publicly traded partnership

HRS has very little information relating to these deductions, so we use AGI as computed by the NBER-Internet TAXSIM calculator as a proxy for MAGI. This requires two passes through the TAXSIM model. The first pass is solely to compute AGI. Once AGI is computed, we compute the additional Part B premiums for higher income bracket individuals.

Starting in HRS 2006, individuals were asked if they were enrolled in Medicare Part D. In HRS 2008 and 2010, individuals were also asked how they pay their premiums². One option for payment of premiums is an automatic deduction from Social Security benefits. Among Part D enrollees (N = 3,965 or 23.0% for HRS 2008; N = 3,747 or 17.0% for HRS

²Note: The key survey questions regarding payment of Medicare drug coverage premiums through Social Security checks and the associated monthly deduction were not asked from 2012 forward. This prevents us from being able to add the Part D deduction back into reported Social Security income as described above.

2010), 1,940 in HRS 2008 and 1,799 in HRS 2010 report having premiums deducted from their benefits. These individuals are asked the amount of their monthly deduction.

To address outlying values, we first winsorize the reported Part D premium amounts at the 95th percentile, resulting in a maximum monthly deduction of \$132 and \$170 for HRS 2008 and HRS 2010, respectively. Of those reporting an automatic deduction, 837 (43.1%) in HRS 2008 and 681 (37.9%) in HRS 2010 do not report a dollar amount. For these Respondents, we impute the monthly deduction using the median deduction (\$35 per month and \$48 per month for HRS 2008 and HRS 2010, respectively) among Respondents with a positive deduction amount.

(Note: Of those who report having Part D premiums automatically deducted from their Social Security payments (N = 1,940 in HRS 2008; N = 1,799 in HRS 2010), 29 (or 1.5%) in HRS 2008 and 28 (or 1.6%) in HRS 2010 report "0" dollars for the amount deducted, and for these we (a) simply leave the amount deducted at "0" dollars, and (b) include them in the pool of Respondents used to determine the median deduction for the imputation).

These premiums (Part B and/or Part D) get added back into reported Social Security income, which is then used in the second pass through the TAXSIM model.

These types of income are all derived at the individual level, so that for "married" persons, Social Security income for both the Respondent and spouse are added together. For everyone else, only the Respondent's income is used.

HRS Variables Used

RAND HRS Fat Files:

HRS 2000:	
G6240	R2.MEDICARE PART B COVERAGE
G6241	R4.MEDICAID SINCE PREV WAVE?
HRS 2002:	
HN004	MEDICARE PART B COVERAGE
HN005	MEDICAID COVERAGE SINCE PREV WAVE
HRS 2004:	
JN004	MEDICARE PART B COVERAGE
JN005	MEDICAID COVERAGE SINCE PREV WAVE
HRS 2006:	
KN004	MEDICARE PART B COVERAGE
KN005	MEDICAID COVERAGE SINCE PREV WAVE
HRS 2008:	
LN004	MEDICARE PART B COVERAGE
LN005	MEDICAID COVERAGE SINCE PREV WAVE
LN423	HOW PAY MEDICARE PREMIUMS
LN424	SS DEDUCTION MONTHLY PREMIUMS
HRS 2010:	
MN004	MEDICARE PART B COVERAGE
MN005	MEDICAID COVERAGE SINCE PREV WAVE
MN423	HOW PAY MEDICARE PREMIUMS
MN424	SS DEDUCTION MONTHLY PREMIUMS
HRS 2012:	
NN004	MEDICARE PART B COVERAGE
NN005	MEDICAID COVERAGE SINCE PREV WAVE
HRS 2014:	
ON004	MEDICARE PART B COVERAGE
ON005	MEDICAID COVERAGE SINCE PREV WAVE

RAND HRS Detailed Imputations File:

R5IOSDI	R5IOSDI:W5 Receives-SocSec DI
R6IOSDI	R6IOSDI:W6 Receives-SocSec DI
R7IOSDI	R7IOSDI:W7 Receives-SocSec DI

R8IOSDI	R8IOSDI:W8 Receives-SocSec DI
R9IOSDI	R9IOSDI:W9 Receives-SocSec DI
R10IOSDI	R10IOSDI:W10 Receives-SocSec DI
R11IOSDI	R11IOSDI:W11 Receives-SocSec DI
R12IOSDI	R12IOSDI:W12 Receives-SocSec DI
R5IOSS	R5IOSS:W5 Receives-SocSec Retire, Surv
R6IOSS	R6IOSS:W6 Receives-SocSec Retire, Surv
R7IOSS	R7IOSS:W7 Receives-SocSec Retire, Surv
R8IOSS	R8IOSS:W8 Receives-SocSec Retire, Surv
R9IOSS	R9IOSS:W9 Receives-SocSec Retire, Surv
R10IOSS	R10IOSS:W10 Receives-SocSec Retire, Surv
R11IOSS	R11IOSS:W11 Receives-SocSec Retire, Surv
R12IOSS	R12IOSS:W12 Receives-SocSec Retire, Surv
R5ISDI	R5ISDI:W5 IncPart-SocSec DI
R6ISDI	R6ISDI:W6 IncPart-SocSec DI
R7ISDI	R7ISDI:W7 IncPart-SocSec DI
R8ISDI	R8ISDI:W8 IncPart-SocSec DI
R9ISDI	R9ISDI:W9 IncPart-SocSec DI
R10ISDI	R10ISDI:W10 IncPart-SocSec DI
R11ISDI	R11ISDI:W11 IncPart-SocSec DI
R12ISDI	R12ISDI:W12 IncPart-SocSec DI
R5ISS	R5ISS:W5 IncPart-SocSec Retire, Surv
R6ISS	R6ISS:W6 IncPart-SocSec Retire, Surv
R7ISS	R7ISS:W7 IncPart-SocSec Retire, Surv
R8ISS	R8ISS:W8 IncPart-SocSec Retire, Surv
R9ISS	R9ISS:W9 IncPart-SocSec Retire, Surv
R10ISS	R10ISS:W10 IncPart-SocSec Retire, Surv
R11ISS	R11ISS:W11 IncPart-SocSec Retire, Surv
R12ISS	R12ISS:W12 IncPart-SocSec Retire, Surv
R5NSDI	R5NSDI:W5 IncMons-SocSec DI
R6NSDI	R6NSDI:W6 IncMons-SocSec DI
R7NSDI	R7NSDI:W7 IncMons-SocSec DI
R8NSDI	R8NSDI:W8 IncMons-SocSec DI
R9NSDI	R9NSDI:W9 IncMons-SocSec DI
R10NSDI	R10NSDI:W10 IncMons-SocSec DI
R11NSDI	R11NSDI:W11 IncMons-SocSec DI
R12NSDI	R12NSDI:W12 IncMons-SocSec DI
R5NSS	R5NSS:W5 IncMons-SocSec Retire, Surv
R6NSS	R6NSS:W6 IncMons-SocSec Retire, Surv
R7NSS	R7NSS:W7 IncMons-SocSec Retire, Surv
R8NSS	R8NSS:W8 IncMons-SocSec Retire, Surv
R9NSS	R9NSS:W9 IncMons-SocSec Retire, Surv
R10NSS	R10NSS:W10 IncMons-SocSec Retire, Surv
R11NSS	R11NSS:W11 IncMons-SocSec Retire, Surv
R12NSS	R12NSS:W12 IncMons-SocSec Retire, Surv
S5IOSDI	S5IOSDI:W5 Receives-SocSec DI
S6IOSDI	S6IOSDI:W6 Receives-SocSec DI
S7IOSDI	S7IOSDI:W7 Receives-SocSec DI
S8IOSDI	S8IOSDI:W8 Receives-SocSec DI
S9IOSDI	S9IOSDI:W9 Receives-SocSec DI
S10IOSDI	S10IOSDI:W10 Receives-SocSec DI
S11IOSDI	S11IOSDI:W11 Receives-SocSec DI
S12IOSDI	S12IOSDI:W12 Receives-SocSec DI
S5IOSS	S5IOSS:W5 Receives-SocSec Retire, Surv
S6IOSS	S6IOSS:W6 Receives-SocSec Retire, Surv
S7IOSS	S7IOSS:W7 Receives-SocSec Retire, Surv
S8IOSS	S8IOSS:W8 Receives-SocSec Retire, Surv
S9IOSS	S9IOSS:W9 Receives-SocSec Retire, Surv
S10IOSS	S10IOSS:W10 Receives-SocSec Retire, Surv

S11IOSS	S11IOSS:W11 Receives-SocSec Retire, Surv
S12IOSS	S12IOSS:W12 Receives-SocSec Retire, Surv
S5ISDI	S5ISDI:W5 IncPart-SocSec DI
S6ISDI	S6ISDI:W6 IncPart-SocSec DI
S7ISDI	S7ISDI:W7 IncPart-SocSec DI
S8ISDI	S8ISDI:W8 IncPart-SocSec DI
S9ISDI	S9ISDI:W9 IncPart-SocSec DI
S10ISDI	S10ISDI:W10 IncPart-SocSec DI
S11ISDI	S11ISDI:W11 IncPart-SocSec DI
S12ISDI	S12ISDI:W12 IncPart-SocSec DI
S5ISS	S5ISS:W5 IncPart-SocSec Retire, Surv
S6ISS	S6ISS:W6 IncPart-SocSec Retire, Surv
S7ISS	S7ISS:W7 IncPart-SocSec Retire, Surv
S8ISS	S8ISS:W8 IncPart-SocSec Retire, Surv
S9ISS	S9ISS:W9 IncPart-SocSec Retire, Surv
S10ISS	S10ISS:W10 IncPart-SocSec Retire, Surv
S11ISS	S11ISS:W11 IncPart-SocSec Retire, Surv
S12ISS	S12ISS:W12 IncPart-SocSec Retire, Surv
S5NSDI	S5NSDI:W5 IncMons-SocSec DI
S6NSDI	S6NSDI:W6 IncMons-SocSec DI
S7NSDI	S7NSDI:W7 IncMons-SocSec DI
S8NSDI	S8NSDI:W8 IncMons-SocSec DI
S9NSDI	S9NSDI:W9 IncMons-SocSec DI
S10NSDI	S10NSDI:W10 IncMons-SocSec DI
S11NSDI	S11NSDI:W11 IncMons-SocSec DI
S12NSDI	S12NSDI:W12 IncMons-SocSec DI
S5NSS	S5NSS:W5 IncMons-SocSec Retire, Surv
S6NSS	S6NSS:W6 IncMons-SocSec Retire, Surv
S7NSS	S7NSS:W7 IncMons-SocSec Retire, Surv
S8NSS	S8NSS:W8 IncMons-SocSec Retire, Surv
S9NSS	S9NSS:W9 IncMons-SocSec Retire, Surv
S10NSS	S10NSS:W10 IncMons-SocSec Retire, Surv
S11NSS	S11NSS:W11 IncMons-SocSec Retire, Surv
S12NSS	S12NSS:W12 IncMons-SocSec Retire, Surv

RAND HRS Longitudinal File:

R5IWENDY	R5IWENDY:W5 Interview End Year
R6IWENDY	R6IWENDY:W6 Interview End Year
R7IWENDY	R7IWENDY:W7 Interview End Year
R8IWENDY	R8IWENDY:W8 Interview End Year
R9IWENDY	R9IWENDY:W9 Interview End Year
R10IWENDY	R10IWENDY:W10 Interview End Year
R11IWENDY	R11IWENDY:W11 Interview End Year
R12IWENDY	R12IWENDY:W12 Interview End Year
R5MSTAT	R5MSTAT:W5 R Marital Status
R6MSTAT	R6MSTAT:W6 R Marital Status
R7MSTAT	R7MSTAT:W7 R Marital Status
R8MSTAT	R8MSTAT:W8 R Marital Status
R9MSTAT	R9MSTAT:W9 R Marital Status
R10MSTAT	R10MSTAT:W10 R Marital Status
R11MSTAT	R11MSTAT:W11 R Marital Status
R12MSTAT	R12MSTAT:W12 R Marital Status

Item #13: Other Non-Taxable Transfer Income

Wave	Variable	Label	Type
5	W5ITEM_13	W5ITEM_13: W5 Other Non-Taxable Transfer Income	Cont
6	W6ITEM_13	W6ITEM_13: W6 Other Non-Taxable Transfer Income	Cont
7	W7ITEM_13	W7ITEM_13: W7 Other Non-Taxable Transfer Income	Cont
8	W8ITEM_13	W8ITEM_13: W8 Other Non-Taxable Transfer Income	Cont
9	W9ITEM_13	W9ITEM_13: W9 Other Non-Taxable Transfer Income	Cont
10	W10ITEM_13	W10ITEM_13: W10 Other Non-Taxable Transfer Income	Cont
11	W11ITEM_13	W11ITEM_13: W11 Other Non-Taxable Transfer Income	Cont
12	W12ITEM_13	W12ITEM_13: W12 Other Non-Taxable Transfer Income	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_13	19579	1100.21	4812.55	0.0	107680.0
W6ITEM_13	18165	1112.20	4845.01	0.0	99600.0
W7ITEM_13	20129	1166.20	4937.22	0.0	114527.5
W8ITEM_13	18469	1358.96	5771.70	0.0	119496.4
W9ITEM_13	17217	1422.63	5978.46	0.0	100000.0
W10ITEM_13	22034	1583.31	6363.33	0.0	144934.2
W11ITEM_13	20554	1693.08	6802.35	0.0	179378.0
W12ITEM_13	18747	1894.73	7288.88	0.0	165558.3

How Constructed

For other non-taxable transfer income, we use several variables from the RAND HRS Detailed Imputations File 2014 (V2). Income at the household level includes income from food stamps (HwIFOOD), welfare (HwIWELF), and supplemental security income (HwISSI). We also use workers' compensation (RwIWCMP, SwIWCMP) and veterans' benefits (RwIVET, SwIVET), which are derived at the individual level.

For "partnered" persons, other non-taxable transfer income is calculated by taking the sum of the Respondent's workers' compensation, veterans' benefits, and half the household components. For "married" persons, workers' compensation and veterans' benefits for both the Respondent and spouse are added to the household components.

HRS Variables Used

RAND HRS Detailed Imputations File:

H5IFOOD	H5IFOOD:W5 IncPart-Food Stamps
H6IFOOD	H6IFOOD:W6 IncPart-Food Stamps
H7IFOOD	H7IFOOD:W7 IncPart-Food Stamps
H8IFOOD	H8IFOOD:W8 IncPart-Food Stamps
H9IFOOD	H9IFOOD:W9 IncPart-Food Stamps
H10IFOOD	H10IFOOD:W10 IncPart-Food Stamps
H11IFOOD	H11IFOOD:W11 IncPart-Food Stamps
H12IFOOD	H12IFOOD:W12 IncPart-Food Stamps
H5ISSI	H5ISSI:W5 IncPart-SSI Inc
H6ISSI	H6ISSI:W6 IncPart-SSI Inc
H7ISSI	H7ISSI:W7 IncPart-SSI Inc
H8ISSI	H8ISSI:W8 IncPart-SSI Inc

H9ISSI	H9ISSI:W9 IncPart-SSI Inc
H10ISSI	H10ISSI:W10 IncPart-SSI Inc
H11ISSI	H11ISSI:W11 IncPart-SSI Inc
H12ISSI	H12ISSI:W12 IncPart-SSI Inc
H5IWELF	H5IWELF:W5 IncPart-Welfare Inc
H6IWELF	H6IWELF:W6 IncPart-Welfare Inc
H7IWELF	H7IWELF:W7 IncPart-Welfare Inc
H8IWELF	H8IWELF:W8 IncPart-Welfare Inc
H9IWELF	H9IWELF:W9 IncPart-Welfare Inc
H10IWELF	H10IWELF:W10 IncPart-Welfare Inc
H11IWELF	H11IWELF:W11 IncPart-Welfare Inc
H12IWELF	H12IWELF:W12 IncPart-Welfare Inc
R5IVET	R5IVET:W5 IncPart-Veteran Benefits
R6IVET	R6IVET:W6 IncPart-Veteran Benefits
R7IVET	R7IVET:W7 IncPart-Veteran Benefits
R8IVET	R8IVET:W8 IncPart-Veteran Benefits
R9IVET	R9IVET:W9 IncPart-Veteran Benefits
R10IVET	R10IVET:W10 IncPart-Veteran Benefits
R11IVET	R11IVET:W11 IncPart-Veteran Benefits
R12IVET	R12IVET:W12 IncPart-Veteran Benefits
R5IWCMP	R5IWCMP:W5 IncPart-Workers Comp
R6IWCMP	R6IWCMP:W6 IncPart-Workers Comp
R7IWCMP	R7IWCMP:W7 IncPart-Workers Comp
R8IWCMP	R8IWCMP:W8 IncPart-Workers Comp
R9IWCMP	R9IWCMP:W9 IncPart-Workers Comp
R10IWCMP	R10IWCMP:W10 IncPart-Workers Comp
R11IWCMP	R11IWCMP:W11 IncPart-Workers Comp
R12IWCMP	R12IWCMP:W12 IncPart-Workers Comp
S5IVET	S5IVET:W5 IncPart-Veteran Benefits
S6IVET	S6IVET:W6 IncPart-Veteran Benefits
S7IVET	S7IVET:W7 IncPart-Veteran Benefits
S8IVET	S8IVET:W8 IncPart-Veteran Benefits
S9IVET	S9IVET:W9 IncPart-Veteran Benefits
S10IVET	S10IVET:W10 IncPart-Veteran Benefits
S11IVET	S11IVET:W11 IncPart-Veteran Benefits
S12IVET	S12IVET:W12 IncPart-Veteran Benefits
S5IWCMP	S5IWCMP:W5 IncPart-Workers Comp
S6IWCMP	S6IWCMP:W6 IncPart-Workers Comp
S7IWCMP	S7IWCMP:W7 IncPart-Workers Comp
S8IWCMP	S8IWCMP:W8 IncPart-Workers Comp
S9IWCMP	S9IWCMP:W9 IncPart-Workers Comp
S10IWCMP	S10IWCMP:W10 IncPart-Workers Comp
S11IWCMP	S11IWCMP:W11 IncPart-Workers Comp
S12IWCMP	S12IWCMP:W12 IncPart-Workers Comp

RAND HRS Longitudinal File:

R5MSTAT	R5MSTAT:W5 R Marital Status
R6MSTAT	R6MSTAT:W6 R Marital Status
R7MSTAT	R7MSTAT:W7 R Marital Status
R8MSTAT	R8MSTAT:W8 R Marital Status
R9MSTAT	R9MSTAT:W9 R Marital Status
R10MSTAT	R10MSTAT:W10 R Marital Status
R11MSTAT	R11MSTAT:W11 R Marital Status
R12MSTAT	R12MSTAT:W12 R Marital Status

Item #14: Rent Paid

Wave	Variable	Label	Type
5	W5ITEM_14	W5ITEM_14: W5 Rent Paid	Cont
6	W6ITEM_14	W6ITEM_14: W6 Rent Paid	Cont
7	W7ITEM_14	W7ITEM_14: W7 Rent Paid	Cont
8	W8ITEM_14	W8ITEM_14: W8 Rent Paid	Cont
9	W9ITEM_14	W9ITEM_14: W9 Rent Paid	Cont
10	W10ITEM_14	W10ITEM_14: W10 Rent Paid	Cont
11	W11ITEM_14	W11ITEM_14: W11 Rent Paid	Cont
12	W12ITEM_14	W12ITEM_14: W12 Rent Paid	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_14	19579	847.71	2718.84	0.0	48000.0
W6ITEM_14	18165	867.10	2921.36	0.0	60000.0
W7ITEM_14	20129	984.45	3110.49	0.0	51600.0
W8ITEM_14	18469	1139.80	3709.59	0.0	86400.0
W9ITEM_14	17217	1245.37	4170.39	0.0	96000.0
W10ITEM_14	22034	1725.59	4747.86	0.0	174000.0
W11ITEM_14	20554	1839.48	4924.99	0.0	96000.0
W12ITEM_14	18747	1970.44	5336.77	0.0	84000.0

How Constructed

The information on rent paid comes directly from the HRS raw data, and is reported at the household level³. Determining whether one is a renter requires examining responses to several key questions in the Housing section of the interview (Section F in HRS 2000, and Section H in HRS 2002 forward).

- 1). Do you [and your (husband/wife/partner)] own your home, rent it, or what?
- 2). Do you [or your (husband/wife/partner)] own this (farm/ranch), do you own part of it, do you rent it, or what?
- 3). Do you pay any rent on this house, or what?
- 4). Do you [or your (husband/wife/partner)] own both the mobile home and site, do you own only the home, do you rent both the home and site, or what?

Among renters (N = 2,575 or 19.5% for HRS 2000; N = 2,310 or 18.7% for HRS 2002; N = 2,661 or 19.5% for HRS 2004; N = 2,511 or 19.9% for HRS 2006; N = 2,364 or 19.9% for HRS 2008; N = 3,893 or 25.5% for HRS 2010; N = 3,670 or 25.6% for HRS 2012; N = 3,453 or 26.1% for HRS 2014), there were several types of cases that should be considered:

- 1). There were 65 (2.5%) individuals in HRS 2000, 65 (2.8%) in HRS 2002, 70 (2.6%) in HRS 2004, 67 (2.7%) in HRS 2006, 52 (2.2%) in HRS 2008, 85 (2.2%) in HRS 2010, 75 (2.0%) in 2012, and 82 (2.4%) in 2014 who reported paying "0" dollars for rent, and for these we (a) simply leave the amount of rent paid at "0", and (b) include them in the pool of Respondents used to determine the median rent paid for the imputation.

³While the Ns reported in this section are at the household level, the dataset we provide to users is at the Respondent level. The Financial Respondent for the household reports on the financial matters of the entire household. This information is then attached to all other survey Respondents in the same household for analysts' convenience.

- 2). There were 21 (0.8%) people in HRS 2000, 32 (1.4%) in HRS 2002, 5 (0.2%) in HRS 2004, none in HRS 2006, 1 (0.04%) in HRS 2008, 7 (0.2%) in HRS 2010, 3 (0.08%) in 2012, and 1 (0.03%) in HRS 2014 who were clearly renters, but did not answer any of the questions regarding the amount of rent paid. For these cases, we impute the median rent paid by marital status and income decile, using the pool of continuous reporters.
- 3). There were 44 (1.7%) individuals in HRS 2000, 54 (2.3%) in HRS 2002, 58 (2.2%) in HRS 2004, 44 (1.8%) in HRS 2006, 59 (2.5%) in HRS 2008, 112 (2.9%) in HRS 2010, 88 (2.4%) in 2012, and 64 (1.9%) in 2014 who gave an answer of "don't know" or "refused" to the item asking about a specific amount paid, and therefore entered into a sequence of unfolding bracket questions. However, either no bracket information was obtained, or the answers that were given encompassed the full range of values (e.g., in HRS 2004 forward, 0 - 99999996). For these cases, we impute the median rent paid by marital status and income decile, using the pool of continuous reporters.
- 4). There were 63 (2.4%) individuals in HRS 2000, 55 (2.4%) in HRS 2002, 61 (2.3%) in HRS 2004, 57 (2.3%) in HRS 2006, 55 (2.3%) in HRS 2008, 111 (2.8%) in HRS 2010, 66 (1.8%) in 2012, and 120 (3.5%) in 2014 who gave an answer of "don't know" or "refused" to the item asking about a specific amount paid, and therefore entered into a sequence of unfolding bracket questions. Unlike those described in #3 (above), these individuals answered the bracket questions in such a way that specific ranges of values could be determined. We impute the amounts for these individuals in a simplified manner using the pool of continuous reporters:
 - a). For any level of bracketed information found in the data, we identify the continuous reporters that would fall into that bracket and compute their median rent. This is the value we use as the imputation for the respective bracketed responses with missing information. The bracket ranges observed in the data for rent paid were:

HRS 2000:

0-200, about 200, 200-500, 0-500, 500-1000, about 1000, 1000+, 500+, 98 (DK/RF)

HRS 2002 forward:

0-199, 201-499, 501-999, 1001+, 0-499, 201+, 501+, 0+ -> didn't provide
 - b). For HRS 2000 Respondents who indicated an "about" value (e.g., about 200), or for HRS 2002, 2004, 2006, 2008, 2010, or 2012 Respondents who gave bracket ranges of the same value (e.g., 200-200) we simply use that value (e.g., 200) for the imputation.
 - c). For consistency, we impose an upper bound on the median imputations so that the imputed value cannot be greater than the household's total income. For Respondents whose marital status is "partnered", we divide the amount of rent paid in half.

The rest of the sample (N = 10,639 or 80.5% for HRS 2000; N = 10,039 or 81.3% for HRS 2002; N = 10,984 or 80.5% for HRS 2004; N = 10,094 or 80.1% for HRS 2006; N = 9,533 or 80.1% for HRS 2008; N = 11,387 or 74.5% for HRS 2010; N = 10,646 or 74.4% for HRS 2012; N = 9,788 or 73.9% for HRS 2014) either were not renters, or had no data in the entire section. Their responses are NOT included in the above median calculations, but are given a value of "0" when submitted to TAXSIM.

It is important to point out that while all of the above calculations use monthly rent amounts, we upload the total rent paid for the entire year to TAXSIM.

HRS Variables Used

RAND HRS Fat Files:

HRS 2000:

G3136	F14.\$ AMOUNT RENT
G3137	F14A.RENT PER

G3139B	F14A.RENT PER-Bkt
HRS 2002:	
HH079	DOLLAR AMOUNT RENT
HH080	DOLLAR AMOUNT RENT - MINIMUM
HH081	DOLLAR AMOUNT RENT - MAXIMUM
HH082	DOLLAR AMOUNT RENT - RESULT
HH083	DOLLAR AMOUNT RENT- PER
HRS 2004:	
JH079	DOLLAR AMOUNT RENT
JH080	DOLLAR AMOUNT RENT - MINIMUM
JH081	DOLLAR AMOUNT RENT - MAXIMUM
JH082	DOLLAR AMOUNT RENT - RESULT
JH083	DOLLAR AMOUNT RENT- PER
HRS 2006:	
KH079	DOLLAR AMOUNT RENT
KH080	DOLLAR AMOUNT RENT - MINIMUM
KH081	DOLLAR AMOUNT RENT - MAXIMUM
KH082	DOLLAR AMOUNT RENT - RESULT
KH083	DOLLAR AMOUNT RENT- PER
HRS 2008:	
LH079	DOLLAR AMOUNT RENT
LH080	DOLLAR AMOUNT RENT - MINIMUM
LH081	DOLLAR AMOUNT RENT - MAXIMUM
LH082	DOLLAR AMOUNT RENT - RESULT
LH083	DOLLAR AMOUNT RENT- PER
HRS 2010:	
MH079	DOLLAR AMOUNT RENT
MH080	DOLLAR AMOUNT RENT - MINIMUM
MH081	DOLLAR AMOUNT RENT - MAXIMUM
MH082	DOLLAR AMOUNT RENT - RESULT
MH083	DOLLAR AMOUNT RENT- PER
HRS 2012:	
NH079	DOLLAR AMOUNT RENT
NH080	DOLLAR AMOUNT RENT - MINIMUM
NH081	DOLLAR AMOUNT RENT - MAXIMUM
NH082	DOLLAR AMOUNT RENT - RESULT
NH083	DOLLAR AMOUNT RENT- PER
HRS 2014:	
OH079	DOLLAR AMOUNT RENT
OH080	DOLLAR AMOUNT RENT - MINIMUM
OH081	DOLLAR AMOUNT RENT - MAXIMUM
OH082	DOLLAR AMOUNT RENT - RESULT
OH083	DOLLAR AMOUNT RENT- PER

RAND HRS Longitudinal File:

R5MSTAT	R5MSTAT:W5 R Marital Status
R6MSTAT	R6MSTAT:W6 R Marital Status
R7MSTAT	R7MSTAT:W7 R Marital Status
R8MSTAT	R8MSTAT:W8 R Marital Status
R9MSTAT	R9MSTAT:W9 R Marital Status
R10MSTAT	R10MSTAT:W10 R Marital Status
R11MSTAT	R11MSTAT:W11 R Marital Status
R12MSTAT	R12MSTAT:W12 R Marital Status

Item #15: Real Estate Taxes Paid

Wave	Variable	Label	Type
5	W5ITEM_15	W5ITEM_15: W5 Real Estate Taxes Paid	Cont
6	W6ITEM_15	W6ITEM_15: W6 Real Estate Taxes Paid	Cont
7	W7ITEM_15	W7ITEM_15: W7 Real Estate Taxes Paid	Cont
8	W8ITEM_15	W8ITEM_15: W8 Real Estate Taxes Paid	Cont
9	W9ITEM_15	W9ITEM_15: W9 Real Estate Taxes Paid	Cont
10	W10ITEM_15	W10ITEM_15: W10 Real Estate Taxes Paid	Cont
11	W11ITEM_15	W11ITEM_15: W11 Real Estate Taxes Paid	Cont
12	W12ITEM_15	W12ITEM_15: W12 Real Estate Taxes Paid	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_15	19579	1153.38	1577.98	0.0	36000.0
W6ITEM_15	18165	1290.86	4445.25	0.0	380000.0
W7ITEM_15	20129	1420.33	4066.05	0.0	350000.0
W8ITEM_15	18469	1531.04	3795.75	0.0	286000.0
W9ITEM_15	17217	1667.52	2629.15	0.0	120000.0
W10ITEM_15	22034	1702.25	3466.80	0.0	300000.0
W11ITEM_15	20554	1720.93	3049.37	0.0	110000.0
W12ITEM_15	18747	1712.84	2753.84	0.0	100000.0

How Constructed

The information on real estate taxes paid comes directly from the HRS raw data, and is reported at the household level⁴. We use two variables from the RAND HRS Detailed Imputations File 2014 (V2): HwAOHOUS and HwAFHOUS. The variable HwAOHOUS is a dichotomous variable, where 0 = Does not own asset, and 1 = Owns asset. Those with a value of "1" for this variable include individuals who either reported owning a home, or were imputed to own a home. The variable HwAFHOUS can be used to determine which cases were imputed to own a home and, if the reported home value is imputed, what level of information is available during the imputation process. It takes on the following values:

1. continuous value
2. complete bracket
3. incomplete bracket
4. range card bracket
5. no value/bracket
6. no asset
7. DK ownership
9. no Fin Resp

Anyone with a value of 1-5 for this variable reported owning a home, while those with values of 7 or 9 are eligible for ownership imputation, though only some of them will actually be imputed to own a home.

⁴While the Ns reported in this section are at the household level, the dataset we provide to users is at the Respondent level. The Financial Respondent for the household reports on the financial matters of the entire household. This information is then attached to all other survey Respondents in the same household for analysts' convenience.

Among homeowners (N = 9,949 or 75.3% for HRS 2000; N = 9,260 or 75.0% for HRS 2002; N = 10,132 or 74.3% for HRS 2004; N = 9,321 or 73.9% for HRS 2006; N = 8,790 or 73.9% for HRS 2008; N = 10,634 or 69.6% for HRS 2010; N = 9,884 or 69.0% for HRS 2012; N = 9,060 or 68.4% for HRS 2014), there were several types of cases that should be considered:

- 1). There were 448 (4.5%) individuals in HRS 2000, 380 (4.1%) in HRS 2002, 435 (4.3%) in HRS 2004, 439 (4.7%) in HRS 2006, 383 (4.4%) in HRS 2008, 367 (3.5%) in HRS 2010, 369 (3.7%) in HRS 2012, and 344 (3.8%) in HRS 2014 who reported paying "0" dollars for property taxes, and for these we (a) simply leave the amount of property taxes paid at "0", and (b) include them in the pool of Respondents used to determine the median property taxes paid for the imputation. In HRS 2012, there was one individual who was imputed to own a home, but reported paying "0" dollars for property taxes. For this case, we also left the amount of property taxes paid at "0".
- 2). There were 24 (0.2%) people in HRS 2000, 29 (0.3%) in HRS 2002, 36 (0.4%) in HRS 2004, 39 (0.4%) in HRS 2006, 19 (0.2%) in HRS 2008, 54 (0.05%) in HRS 2010, 32 (0.3%) in HRS 2012, and 14 (0.2%) in HRS 2014 who reported owning a home, but did not answer any of the questions regarding the amount of property taxes paid. There were also 120 (1.2%) people in HRS 2000, 103 (1.1%) in HRS 2002, 72 (0.7%) in HRS 2004, 49 (0.5%) in HRS 2006, 55 (0.6%) in HRS 2008, 194 (1.8%) in HRS 2010, 128 (1.3%) in HRS 2012, and 139 (1.5%) in HRS 2014 who were imputed to own a home, and therefore had no opportunity to answer any of the questions regarding the amount of property taxes paid. For both types of cases, we impute the median property taxes paid by home value quartile, using the pool of continuous reporters.
- 3). There were 427 (4.3%) individuals in HRS 2000, 558 (6.0%) in HRS 2002, 594 (5.9%) in HRS 2004, 527 (5.7%) in HRS 2006, 503 (5.7%) in HRS 2008, 666 (6.3%) in HRS 2010, 643 (6.5%) in HRS 2012, and 564 (6.2%) in HRS 2014 who gave an answer of "don't know" or "refused" to the item asking about a specific amount paid, and therefore entered into a sequence of unfolding bracket questions. However, either no bracket information was obtained, or the answers that were given encompassed the full range of values (e.g., in HRS 2004 forward, 0 - 99999996). For these cases, we impute the median property taxes paid by home value quartile, using the pool of continuous reporters.
- 4). There were 1,238 (12.4%) individuals in HRS 2000, 1,300 (14.0%) in HRS 2002, 1,307 (12.9%) in HRS 2004, 1,124 (12.1%) in HRS 2006, 1,054 (12.0%) in HRS 2008, 1,267 (11.9%) in HRS 2010, 1,123 (11.4%) in HRS 2012, and 1,061 (11.7%) in HRS 2014 who gave an answer of "don't know" or "refused" to the item asking about a specific amount paid, and therefore entered into a sequence of unfolding bracket questions. Unlike those described in #3 (above), these individuals answered the bracket questions in such a way that specific ranges of values could be determined. We impute the amounts for these individuals in a simplified manner using the pool of continuous reporters:
 - a). For any level of bracketed information found in the data, we identify the continuous reporters that would fall into that bracket and compute their median rent. This is the value we use as the imputation for the respective bracketed responses with missing information. The bracket ranges observed in the data for property taxes were:

HRS 2000:

0-500, about 500, 500-2000, about 2000, 2000-7500, about 7500, 2000+, 7500+, 98 (DK/RF)

HRS 2002 forward:

0-499, 501-1999, 2001-7499, 7501+, 0-1999, 0-7499, 501+, 2001+, 0+ -> didn't provide
 - b). For HRS 2000 Respondents who indicated an "about" value (e.g., about 500), or for HRS 2002, 2004, 2006, 2008, 2010, or 2012 Respondents who gave bracket ranges of the same value (e.g., 500-500) we simply use that value (e.g., 500) for the imputation.
 - c). For consistency, we impose an upper bound on the median imputations so that the imputed value cannot be greater than the household's income. For Respondents whose marital status is "partnered", we divide the amount of property taxes paid in half.

The rest of the sample (N = 3,265 or 24.7% for HRS 2000; N = 3,089 or 25.0% for HRS 2002; N = 3,513 or 25.7% for HRS 2004; N = 3,284 or 26.1% for HRS 2006; N = 3,107 or 26.1% for HRS 2008; N = 4,646 or 30.4% for HRS 2010; N = 4,432 or 31.0% for HRS 2012; N = 4,181 or 31.6% for HRS 2014) either were not homeowners or had no data in the entire section. These individuals are NOT included in the above median calculations, but are given a value of "0" when submitted to TAXSIM.

HRS Variables Used

RAND HRS Fat Files:

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HRS 2000:
  G3127          F13.REAL ESTATE TAX
  G3128B        F13.REAL ESTATE TAX-Bkt
HRS 2002:
  HH075         REAL ESTATE TAX
  HH076         REAL ESTATE TAX - MINIMUM
  HH077         REAL ESTATE TAX - MAXIMUM
  HH078         REAL ESTATE TAX - RESULT
HRS 2004:
  JH075         REAL ESTATE TAX
  JH076         REAL ESTATE TAX - MINIMUM
  JH077         REAL ESTATE TAX - MAXIMUM
  JH078         REAL ESTATE TAX - RESULT
HRS 2006:
  KH075         REAL ESTATE TAX
  KH076         REAL ESTATE TAX - MINIMUM
  KH077         REAL ESTATE TAX - MAXIMUM
  KH078         REAL ESTATE TAX - RESULT
HRS 2008:
  LH075         REAL ESTATE TAX
  LH076         REAL ESTATE TAX - MINIMUM
  LH077         REAL ESTATE TAX - MAXIMUM
  LH078         REAL ESTATE TAX - RESULT
HRS 2010:
  MH075         REAL ESTATE TAX
  MH076         REAL ESTATE TAX - MINIMUM
  MH077         REAL ESTATE TAX - MAXIMUM
  MH078         REAL ESTATE TAX - RESULT
HRS 2012:
  NH075         REAL ESTATE TAX
  NH076         REAL ESTATE TAX - MINIMUM
  NH077         REAL ESTATE TAX - MAXIMUM
  NH078         REAL ESTATE TAX - RESULT
HRS 2014:
  OH075         REAL ESTATE TAX
  OH076         REAL ESTATE TAX - MINIMUM
  OH077         REAL ESTATE TAX - MAXIMUM
  OH078         REAL ESTATE TAX - RESULT

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RAND HRS Detailed Imputations File:

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H5AFHOUS      H5AFHOUS:W5 Assets Flag:Primary Residence--Cross-wave
H6AFHOUS      H6AFHOUS:W6 Assets Flag:Primary Residence--Cross-wave
H7AFHOUS      H7AFHOUS:W7 Assets Flag:Primary Residence--Cross-wave
H8AFHOUS      H8AFHOUS:W8 Assets Flag:Primary Residence--Cross-wave
H9AFHOUS      H9AFHOUS:W9 Assets Flag:Primary Residence--Cross-wave
H10AFHOUS     H10AFHOUS:W10 Assets Flag:Primary Residence--Cross-wave
H11AFHOUS     H11AFHOUS:W11 Assets Flag:Primary Residence--Cross-wave
H12AFHOUS     H12AFHOUS:W12 Assets Flag:Primary Residence--Cross-wave
H5AOHOUS      H5AOHOUS:W5 Assets Own:Primary Residence--Cross-wave
H6AOHOUS      H6AOHOUS:W6 Assets Own:Primary Residence--Cross-wave

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H7AOHOUS	H7AOHOUS:W7 Assets Own:Primary Residence--Cross-wave
H8AOHOUS	H8AOHOUS:W8 Assets Own:Primary Residence--Cross-wave
H9AOHOUS	H9AOHOUS:W9 Assets Own:Primary Residence--Cross-wave
H10AOHOUS	H10AOHOUS:W10 Assets Own:Primary Residence--Cross-wave
H11AOHOUS	H11AOHOUS:W11 Assets Own:Primary Residence--Cross-wave
H12AOHOUS	H12AOHOUS:W12 Assets Own:Primary Residence--Cross-wave

RAND HRS Longitudinal File:

R5MSTAT	R5MSTAT:W5 R Marital Status
R6MSTAT	R6MSTAT:W6 R Marital Status
R7MSTAT	R7MSTAT:W7 R Marital Status
R8MSTAT	R8MSTAT:W8 R Marital Status
R9MSTAT	R9MSTAT:W9 R Marital Status
R10MSTAT	R10MSTAT:W10 R Marital Status
R11MSTAT	R11MSTAT:W11 R Marital Status
R12MSTAT	R12MSTAT:W12 R Marital Status

Item #16: Deductions (Preference for the AMT)

Wave	Variable	Label	Type
5	W5ITEM_16	W5ITEM_16: W5 Deductions (Preference for the AMT)	Cont
6	W6ITEM_16	W6ITEM_16: W6 Deductions (Preference for the AMT)	Cont
7	W7ITEM_16	W7ITEM_16: W7 Deductions (Preference for the AMT)	Cont
8	W8ITEM_16	W8ITEM_16: W8 Deductions (Preference for the AMT)	Cont
9	W9ITEM_16	W9ITEM_16: W9 Deductions (Preference for the AMT)	Cont
10	W10ITEM_16	W10ITEM_16: W10 Deductions (Preference for the AMT)	Cont
11	W11ITEM_16	W11ITEM_16: W11 Deductions (Preference for the AMT)	Cont
12	W12ITEM_16	W12ITEM_16: W12 Deductions (Preference for the AMT)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_16	19579	89.64	262.51	0.0	5208.5
W6ITEM_16	18165	114.46	329.33	0.0	8077.3
W7ITEM_16	20129	153.18	454.75	0.0	11079.3
W8ITEM_16	18469	125.65	360.66	0.0	10034.2
W9ITEM_16	17217	119.92	364.55	0.0	7450.9
W10ITEM_16	22034	114.99	361.36	0.0	7332.0
W11ITEM_16	20554	141.18	424.06	0.0	10951.6
W12ITEM_16	18747	75.62	296.02	0.0	5629.2

How Constructed

The HRS data do not contain much information on deductions. However, we did consider one possible type of deduction: medical expenditures.

For medical expenditures, we use imputed measures of out-of-pocket medical expenditures from the RAND HRS Longitudinal File 2014 (V2). For HRS 2000 - 2008, the variables are RwOOPMD and SwOOPMD, and for HRS 2010 forward, the variables are RwOOPMDO and SwOOPMDO. Beginning in HRS 2010, a ninth category was added that seeks to capture additional out-of-pocket medical expenditures that cannot be assigned to any other category (e.g., hospital stays, prescription drugs, etc.). RwOOPMDO includes this ninth category in the calculation, and RwOOPMD does not. We strongly encourage users to read the RAND HRS Longitudinal File 2014 (V2) Codebook, specifically the section entitled, "Health Care Utilization and Medical Expenditures", for a complete summary of the imputation methodology.

The out-of-pocket medical expenditure variables from the RAND HRS Longitudinal File 2014 (V2) reflect amounts spent since the last interview, or in the last two years for new interviewees (the only exception being HRS 1992 and AHEAD 1993, where the reference period is the past year). Since, for tax purposes, we are interested in income and expenditures in the last calendar year, we perform the following adjustments to the out-of-pocket medical expenditure variables (NOTE: the interview day is available only for HRS 1992 and 1994, and for AHEAD 1993):

- 1). For new interviewees:

adjusted out-of-pocket medical expenditures ($[(R/S)wOOPMDA] =$

$[(R/S)wOOPMD(O) / 24] * 12$

2). For current interviewees:

of months since last interview =

(current interview year - previous interview year)*12 +

(current interview month - previous interview month)

adjusted out-of-pocket medical expenditures ([R/S]wOOPMDA) =

([R/S]wOOPMD[O] / # of months since last interview)*12

According to the [TAXSIM documentation](#), a portion of medical expenditure deductions are considered a preference for the AMT. The formulas for calculating these figures are as follows:

1). For everyone in tax years 1960 - 2012, regardless of age, and for the elderly (65 +) in tax year 2013 forward:

item_16 (pref) = min(max(0,[R/S]wOOPMDA - .075 * AGI), .025 * AGI)

2). For the non-elderly (< 65) in tax year 2013 forward:

item_16 (pref) = 0

Married couples in which only one person is 65+ years of age can still deduct medical expenditures above 7.5% of their AGI (Adjusted Gross Income). Total household AGI was generated as follows:

1). Run the data through TAXSIM with everything as is, EXCEPT medical expenditures.

2). Save the amount for Federal AGI (TAXSIM has several intermediate calculations, of which Federal AGI is one), and use that to determine the amount of medical expenditures that can be deducted.

HRS Variables Used

RAND HRS Longitudinal File:

RABDATE	RABDATE: R birth date
R5MSTAT	R5MSTAT:W5 R Marital Status
R6MSTAT	R6MSTAT:W6 R Marital Status
R7MSTAT	R7MSTAT:W7 R Marital Status
R8MSTAT	R8MSTAT:W8 R Marital Status
R9MSTAT	R9MSTAT:W9 R Marital Status
R10MSTAT	R10MSTAT:W10 R Marital Status
R11MSTAT	R11MSTAT:W11 R Marital Status
R12MSTAT	R12MSTAT:W12 R Marital Status
R5OOPMD	R5OOPMD:W5 Mexp Amt:Out of pkt med exp, prv 2 yrs
R6OOPMD	R6OOPMD:W6 Mexp Amt:Out of pkt med exp, prv 2 yrs
R7OOPMD	R7OOPMD:W7 Mexp Amt:Out of pkt med exp, prv 2 yrs
R8OOPMD	R8OOPMD:W8 Mexp Amt:Out of pkt med exp, prv 2 yrs
R9OOPMD	R9OOPMD:W9 Mexp Amt:Out of pkt med exp, prv 2 yrs
R10OOPMDO	R10OOPMDO:W10 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs
R11OOPMDO	R11OOPMDO:W11 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs
R12OOPMDO	R12OOPMDO:W12 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs
S5BDATE	S5BDATE: S birth date
S6BDATE	S6BDATE: S birth date
S7BDATE	S7BDATE: S birth date
S8BDATE	S8BDATE: S birth date
S9BDATE	S9BDATE: S birth date

S10BDATE	S10BDATE: S birth date
S11BDATE	S11BDATE: S birth date
S12BDATE	S12BDATE: S birth date
S50OPMD	S50OPMD:W5 Mexp Amt:Out of pkt med exp, prv 2 yrs
S60OPMD	S60OPMD:W6 Mexp Amt:Out of pkt med exp, prv 2 yrs
S70OPMD	S70OPMD:W7 Mexp Amt:Out of pkt med exp, prv 2 yrs
S80OPMD	S80OPMD:W8 Mexp Amt:Out of pkt med exp, prv 2 yrs
S90OPMD	S90OPMD:W9 Mexp Amt:Out of pkt med exp, prv 2 yrs
S100OPMDO	S100OPMDO:W10 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs
S110OPMDO	S110OPMDO:W11 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs
S120OPMDO	S120OPMDO:W12 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs

Item #17: Child Care Expenses

Wave	Variable	Label	Type
5	W5ITEM_17	W5ITEM_17: W5 Child Care Expenses	Cont
6	W6ITEM_17	W6ITEM_17: W6 Child Care Expenses	Cont
7	W7ITEM_17	W7ITEM_17: W7 Child Care Expenses	Cont
8	W8ITEM_17	W8ITEM_17: W8 Child Care Expenses	Cont
9	W9ITEM_17	W9ITEM_17: W9 Child Care Expenses	Cont
10	W10ITEM_17	W10ITEM_17: W10 Child Care Expenses	Cont
11	W11ITEM_17	W11ITEM_17: W11 Child Care Expenses	Cont
12	W12ITEM_17	W12ITEM_17: W12 Child Care Expenses	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_17	19579	0.00	0.00	0.0	0.0
W6ITEM_17	18165	0.00	0.00	0.0	0.0
W7ITEM_17	20129	0.00	0.00	0.0	0.0
W8ITEM_17	18469	0.00	0.00	0.0	0.0
W9ITEM_17	17217	0.00	0.00	0.0	0.0
W10ITEM_17	22034	0.00	0.00	0.0	0.0
W11ITEM_17	20554	0.00	0.00	0.0	0.0
W12ITEM_17	18747	0.00	0.00	0.0	0.0

How Constructed

We do not have any information on child care expenses in the HRS data. Therefore, we set this variable to "0".

Item #18: Unemployment Compensation

Wave	Variable	Label	Type
5	W5ITEM_18	W5ITEM_18: W5 Unemployment Compensation	Cont
6	W6ITEM_18	W6ITEM_18: W6 Unemployment Compensation	Cont
7	W7ITEM_18	W7ITEM_18: W7 Unemployment Compensation	Cont
8	W8ITEM_18	W8ITEM_18: W8 Unemployment Compensation	Cont
9	W9ITEM_18	W9ITEM_18: W9 Unemployment Compensation	Cont
10	W10ITEM_18	W10ITEM_18: W10 Unemployment Compensation	Cont
11	W11ITEM_18	W11ITEM_18: W11 Unemployment Compensation	Cont
12	W12ITEM_18	W12ITEM_18: W12 Unemployment Compensation	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_18	19579	63.32	544.72	0.0	15000.0
W6ITEM_18	18165	72.34	699.88	0.0	20000.0
W7ITEM_18	20129	123.80	1088.30	0.0	80000.0
W8ITEM_18	18469	92.87	946.11	0.0	39000.0
W9ITEM_18	17217	83.14	805.60	0.0	27000.0
W10ITEM_18	22034	441.24	2288.69	0.0	32400.0
W11ITEM_18	20554	299.06	1958.16	0.0	35000.0
W12ITEM_18	18747	172.88	1344.45	0.0	40000.0

How Constructed

For unemployment compensation, we use a variable (RwIUNEM, SwIUNEM) from the RAND HRS Detailed Imputations File 2014 (V2). This type of income is derived at the individual level, so that for "married" persons, unemployment compensation for both the Respondent and spouse are added together. For everyone else, only the Respondent's income is used.

HRS Variables Used

RAND HRS Detailed Imputations File:

R5IUNEM	R5IUNEM:W5 IncPart-Unemployment
R6IUNEM	R6IUNEM:W6 IncPart-Unemployment
R7IUNEM	R7IUNEM:W7 IncPart-Unemployment
R8IUNEM	R8IUNEM:W8 IncPart-Unemployment
R9IUNEM	R9IUNEM:W9 IncPart-Unemployment
R10IUNEM	R10IUNEM:W10 IncPart-Unemployment
R11IUNEM	R11IUNEM:W11 IncPart-Unemployment
R12IUNEM	R12IUNEM:W12 IncPart-Unemployment
S5IUNEM	S5IUNEM:W5 IncPart-Unemployment
S6IUNEM	S6IUNEM:W6 IncPart-Unemployment
S7IUNEM	S7IUNEM:W7 IncPart-Unemployment
S8IUNEM	S8IUNEM:W8 IncPart-Unemployment
S9IUNEM	S9IUNEM:W9 IncPart-Unemployment
S10IUNEM	S10IUNEM:W10 IncPart-Unemployment
S11IUNEM	S11IUNEM:W11 IncPart-Unemployment
S12IUNEM	S12IUNEM:W12 IncPart-Unemployment

RAND HRS Longitudinal File:

R5MSTAT	R5MSTAT:W5 R Marital Status
R6MSTAT	R6MSTAT:W6 R Marital Status
R7MSTAT	R7MSTAT:W7 R Marital Status
R8MSTAT	R8MSTAT:W8 R Marital Status
R9MSTAT	R9MSTAT:W9 R Marital Status
R10MSTAT	R10MSTAT:W10 R Marital Status
R11MSTAT	R11MSTAT:W11 R Marital Status
R12MSTAT	R12MSTAT:W12 R Marital Status

Item #19: Number of Dependents Under Age 17 (For Child Credit)

Wave	Variable	Label	Type
5	W5ITEM_19	W5ITEM_19: W5 Number of Dependents Under Age 17 (For Child Cre Cont	
6	W6ITEM_19	W6ITEM_19: W6 Number of Dependents Under Age 17 (For Child Cre Cont	
7	W7ITEM_19	W7ITEM_19: W7 Number of Dependents Under Age 17 (For Child Cre Cont	
8	W8ITEM_19	W8ITEM_19: W8 Number of Dependents Under Age 17 (For Child Cre Cont	
9	W9ITEM_19	W9ITEM_19: W9 Number of Dependents Under Age 17 (For Child Cre Cont	
10	W10ITEM_19	W10ITEM_19: W10 Number of Dependents Under Age 17 (For Child C Cont	
11	W11ITEM_19	W11ITEM_19: W11 Number of Dependents Under Age 17 (For Child C Cont	
12	W12ITEM_19	W12ITEM_19: W12 Number of Dependents Under Age 17 (For Child C Cont	

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_19	19579	0.00	0.00	0.0	0.0
W6ITEM_19	18165	0.00	0.00	0.0	0.0
W7ITEM_19	20129	0.00	0.00	0.0	0.0
W8ITEM_19	18469	0.00	0.00	0.0	0.0
W9ITEM_19	17217	0.00	0.00	0.0	0.0
W10ITEM_19	22034	0.00	0.00	0.0	0.0
W11ITEM_19	20554	0.00	0.00	0.0	0.0
W12ITEM_19	18747	0.00	0.00	0.0	0.0

How Constructed

We cannot recover ages of any dependents from the HRS in a reliable manner. Therefore, we set this variable to "0".

Item #20: Other Deductions (Not a Preference for the AMT)

Wave	Variable	Label	Type
5	W5ITEM_20	W5ITEM_20: W5 Other Deductions (Not a Preference for the AMT)	Cont
6	W6ITEM_20	W6ITEM_20: W6 Other Deductions (Not a Preference for the AMT)	Cont
7	W7ITEM_20	W7ITEM_20: W7 Other Deductions (Not a Preference for the AMT)	Cont
8	W8ITEM_20	W8ITEM_20: W8 Other Deductions (Not a Preference for the AMT)	Cont
9	W9ITEM_20	W9ITEM_20: W9 Other Deductions (Not a Preference for the AMT)	Cont
10	W10ITEM_20	W10ITEM_20: W10 Other Deductions (Not a Preference for the AMT)	Cont
11	W11ITEM_20	W11ITEM_20: W11 Other Deductions (Not a Preference for the AMT)	Cont
12	W12ITEM_20	W12ITEM_20: W12 Other Deductions (Not a Preference for the AMT)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_20	19579	3655.95	9740.04	0.0	600000.0
W6ITEM_20	18165	4445.43	14288.82	0.0	748620.0
W7ITEM_20	20129	5281.85	13215.45	0.0	540112.0
W8ITEM_20	18469	4941.03	11447.79	0.0	615746.2
W9ITEM_20	17217	5397.09	21679.31	0.0	1500000.0
W10ITEM_20	22034	4709.24	9602.48	0.0	444751.5
W11ITEM_20	20554	4816.46	10540.15	0.0	500000.0
W12ITEM_20	18747	4356.61	13138.16	0.0	1300000.0

How Constructed

The HRS data do not contain much information on deductions. However, we did consider three possible types of deductions: mortgage interest, charitable donations, and medical expenditures.

To calculate mortgage interest, we use the sum of all mortgage balances (HwAMORT) from the RAND HRS Detailed Imputations File 2014 (V2), and apply an average interest rate to the total amount owed. The following website lists the national averages for 30-year fixed rate mortgages (FRMs) from 1986 to the present:

<http://www.hsh.com/mtghst/mortgage-rates-by-product/30-Year-FRM/>

We use the mean across the 12-month period for a given year, and perform the following calculations:

Tax year 1999: mortgage interest = $.0754 * \text{amount currently owed (H5AMORT)}$

Tax year 2001: mortgage interest = $.0715 * \text{amount currently owed (H6AMORT)}$

Tax year 2002: mortgage interest = $.0665 * \text{amount currently owed (H6AMORT)}$

Tax year 2003: mortgage interest = $.0597 * \text{amount currently owed (H7AMORT)}$

Tax year 2004: mortgage interest = $.0597 * \text{amount currently owed (H7AMORT)}$

Tax year 2005: mortgage interest = .0601 * amount currently owed (H8AMORT)

Tax year 2006: mortgage interest = .0654 * amount currently owed (H8AMORT)

Tax year 2007: mortgage interest = .0658 * amount currently owed (H9AMORT)

Tax year 2008: mortgage interest = .0662 * amount currently owed (H9AMORT)

Tax year 2009: mortgage interest = .0559 * amount currently owed (H10AMORT)

Tax year 2010: mortgage interest = .0508 * amount currently owed (H10AMORT)

Tax year 2011: mortgage interest = .0476 * amount currently owed (H11AMORT)

Tax year 2012: mortgage interest = .0396 * amount currently owed (H11AMORT)

Tax year 2013: mortgage interest = .0417 * amount currently owed (H12AMORT)

Tax year 2014: mortgage interest = .0427 * amount currently owed (H12AMORT)

The information on charitable donations comes directly from the HRS raw data, and is reported at the household level⁵. Determining whether one has made charitable donations is based on a single question:

- 1). In (LAST CALENDAR YR CALCULATED), did you (or your) (husband/wife/partner) donate money, property, or possessions totaling \$500 or more to religious or other charitable organizations?

DEF: (The United Way, the Heart Association, educational institutions, religious organizations or other such groups are charitable organizations.)

Among donors (N = 5,270 or 39.9% for HRS 2000; N = 5,005 or 40.5% for HRS 2002; N = 5,689 or 41.7% for HRS 2004; N = 5,441 or 43.2% for HRS 2006; N = 5,013 or 42.1% for HRS 2008; N = 6,196 or 40.5% for HRS 2010; N = 5,828 or 40.7% for HRS 2012; N = 5,429 or 41.0% for HRS 2014), there were several types of cases that should be considered:

- 1). There was 1 (0.02%) individual in HRS 2000, 2 (0.04%) in HRS 2002, 1 (0.02%) in HRS 2004, none in HRS 2006 and 2008, 1 (0.02%) in 2010, 3 (0.05%) in HRS 2012, and 2 (0.04%) in HRS 2014 who reported donating "0" dollars, and for these we (a) simply leave the amount charitable donations at "0", and (b) include them in the pool of Respondents used to determine the median charitable donation for the imputation.
- 2). There were no cases in any wave who reported making charitable donations, but did not answer any of the questions regarding the amount donated.
- 3). There were 284 (5.7%) individuals in HRS 2002, 299 (5.3%) in HRS 2004, 286 (5.3%) in HRS 2006, and 247 (4.9%) in HRS 2008, 220 (3.6%) in HRS 2010, 210 (3.6%) in HRS 2012, and 211 (3.9%) in HRS 2014 who gave an answer of "don't know" or "refused" to the item asking about a specific amount paid, and therefore entered into a sequence of unfolding bracket questions. However, the answers that were given encompassed the full range of values (e.g., in HRS 2004 forward, 0 - 99999996). For these cases, we impute the median charitable donation by marital status and income decile, using the pool of continuous reporters.
- 4). There were 550 (11.0%) in HRS 2002, 626 (11.0%) in HRS 2004, 606 (11.1%) in HRS 2006, 502 (10.0%) in HRS 2008, 520 (8.4%) in HRS 2010, 431 (7.4%) in HRS 2012, and 436 (8.0%) in HRS 2014 who gave an answer of "don't know" or "refused" to the item asking about a specific amount donated, and therefore entered into a sequence

⁵While the Ns reported in this section are at the household level, the dataset we provide to users is at the Respondent level. The Financial Respondent for the household reports on the financial matters of the entire household. This information is then attached to all other survey Respondents in the same household for analysts' convenience.)

of unfolding bracket questions. We impute the amounts for these individuals in a simplified manner using the pool of continuous reporters:

- a). For any level of bracketed information found in the data, we identify the continuous reporters that would fall into that bracket and compute their median charitable donation. This is the value we use as the imputation for the respective bracketed responses with missing information. The bracket ranges observed in the data for charitable donations were:

HRS 2002 forward:

0-799, 801-2499, 2501-4999, 5001-24999, 25001+, 0-2499, 0-4999, 2501+, 5001+, 0+ -> didn't provide

- b). For Respondents who indicated an "about" value (e.g., about 800), we simply use that value (e.g., 800) for the imputation.
- c). For consistency, we impose an upper bound on all median imputations so that the imputed value cannot be greater than the household's income. For Respondents whose marital status is "partnered", we divide the sum of mortgage interest and charitable donations in half.

- 5). In HRS 2000, there are no bracket questions. For those who gave an answer of "don't know" or "refused" to the item asking about a specific amount donated (N = 565 or 10.7%), we impute the median charitable donation by marital status and income decile, using the pool of continuous reporters.

The rest of the sample (N = 7,944 or 60.1% for HRS 2000; N = 7,344 or 59.5% for HRS 2002; N = 7,956 or 58.3% for HRS 2004; N = 7,164 or 56.8% for HRS 2006; N = 6,884 or 57.9% for HRS 2008; N = 9,084 or 59.5% for HRS 2010; N = 8,488 or 59.3% for HRS 2012; N = 7,812 or 59.0% for HRS 2014) either did not make charitable donations, or had no data in the entire section. Their responses are NOT included in the above median calculations.

For medical expenditures, we use imputed measures of out-of-pocket medical expenditures from the RAND HRS Longitudinal File 2014 (V2). For HRS 2000 - 2008, the variables are RwOOPMD and SwOOPMD, and for HRS 2010 forward, the variables are RwOOPMDO and SwOOPMDO. Beginning in HRS 2010, a ninth category was added that seeks to capture additional out-of-pocket medical expenditures that cannot be assigned to any other category (e.g., hospital stays, prescription drugs, etc.). RwOOPMDO includes this ninth category in the calculation, and RwOOPMD does not. We strongly encourage users to read the RAND HRS Longitudinal File 2014 (V2) Codebook, specifically the section entitled, "Health Care Utilization and Medical Expenditures", for a complete summary of the imputation methodology.

The out-of-pocket medical expenditure variables from the RAND HRS Longitudinal File 2014 (V2) reflect amounts spent since the last interview, or in the last two years for new interviewees (the only exception being HRS 1992 and AHEAD 1993, where the reference period is the past year). Since, for tax purposes, we are interested in income and expenditures in the last calendar year, we perform the following adjustments to the out-of-pocket medical expenditure variables (NOTE: the interview day is available only for HRS 1992 and 1994, and for AHEAD 1993):

- 1). For new interviewees:

adjusted out-of-pocket medical expenditures ($[R/S]wOOPMDA$) =

$([R/S]wOOPMD[O] / 24) * 12$

- 2). For current interviewees:

of months since last interview =

$(\text{current interview year} - \text{previous interview year}) * 12 +$

(current interview month - previous interview month)

adjusted out-of-pocket medical expenditures ($[R/S]wOOPMDA$) =

$([R/S]wOOPMD[O] / \# \text{ of months since last interview}) * 12$

According to the [TAXSIM documentation](#), a portion of medical expenditure deductions are considered NOT a preference for the AMT. The formulas for calculating these figures are as follows:

- 1). For everyone in tax years 1960 - 2012, regardless of age, and for the elderly (65 +) in tax year 2013 forward:

$item_20 \text{ (non-pref)} = \max(0, [R/S]wOOPMDA - .075 * AGI) - item_16(\text{pref})$

- 2). For the non-elderly (< 65) in tax year 2013 forward:

$item_20 \text{ (non-pref)} = \max(0, [R/S]wOOPMDA - .1 * AGI)$

Married couples in which only one person is 65+ years of age can still deduct medical expenditures above 7.5% of their AGI (Adjusted Gross Income). Total household AGI was generated as follows:

- 1). Run the data through TAXSIM with everything as is, EXCEPT medical expenditures.
- 2). Save the amount for Federal AGI (TAXSIM has several intermediate calculations, of which Federal AGI is one), and use that to determine the amount of medical expenditures that can be deducted.

HRS Variables Used

RAND HRS Fat Files:

HRS 2000:	
G5788	J282.WHETHER DONATE CHARITY
G5789	J283.AMT DONATE CHARITY
HRS 2002:	
HQ454	AMT DONATE CHARITY
HQ455	AMT DONATE CHARITY - MIN
HQ456	AMT DONATE CHARITY - MAX
HQ457	AMT DONATE CHARITY - RESULT
HRS 2004:	
JQ454	AMT DONATE CHARITY
JQ455	AMT DONATE CHARITY - MIN
JQ456	AMT DONATE CHARITY - MAX
JQ457	AMT DONATE CHARITY - RESULT
HRS 2006:	
KQ454	AMT DONATE CHARITY
KQ455	AMT DONATE CHARITY - MIN
KQ456	AMT DONATE CHARITY - MAX
KQ457	AMT DONATE CHARITY - RESULT
HRS 2008:	
LQ454	AMT DONATE CHARITY
LQ455	AMT DONATE CHARITY - MIN
LQ456	AMT DONATE CHARITY - MAX
LQ457	AMT DONATE CHARITY - RESULT
HRS 2010:	
MQ454	AMT DONATE CHARITY
MQ455	AMT DONATE CHARITY - MIN
MQ456	AMT DONATE CHARITY - MAX
MQ457	AMT DONATE CHARITY - RESULT

HRS 2012:
 NQ454 AMT DONATE CHARITY
 NQ455 AMT DONATE CHARITY - MIN
 NQ456 AMT DONATE CHARITY - MAX
 NQ457 AMT DONATE CHARITY - RESULT

HRS 2014:
 OQ454 AMT DONATE CHARITY
 OQ455 AMT DONATE CHARITY - MIN
 OQ456 AMT DONATE CHARITY - MAX
 OQ457 AMT DONATE CHARITY - RESULT

RAND HRS Detailed Imputations File:

H5AMORT H5AMORT:W5 Assets:Total Mortgage--Cross-wave
 H6AMORT H6AMORT:W6 Assets:Total Mortgage--Cross-wave
 H7AMORT H7AMORT:W7 Assets:Total Mortgage--Cross-wave
 H8AMORT H8AMORT:W8 Assets:Total Mortgage--Cross-wave
 H9AMORT H9AMORT:W9 Assets:Total Mortgage--Cross-wave
 H10AMORT H10AMORT:W10 Assets:Total Mortgage--Cross-wave
 H11AMORT H11AMORT:W11 Assets:Total Mortgage--Cross-wave
 H12AMORT H12AMORT:W12 Assets:Total Mortgage--Cross-wave

RAND HRS Longitudinal File:

R5MSTAT R5MSTAT:W5 R Marital Status
 R6MSTAT R6MSTAT:W6 R Marital Status
 R7MSTAT R7MSTAT:W7 R Marital Status
 R8MSTAT R8MSTAT:W8 R Marital Status
 R9MSTAT R9MSTAT:W9 R Marital Status
 R10MSTAT R10MSTAT:W10 R Marital Status
 R11MSTAT R11MSTAT:W11 R Marital Status
 R12MSTAT R12MSTAT:W12 R Marital Status

R5OOPMD R5OOPMD:W5 Mexp Amt:Out of pkt med exp, prv 2 yrs
 R6OOPMD R6OOPMD:W6 Mexp Amt:Out of pkt med exp, prv 2 yrs
 R7OOPMD R7OOPMD:W7 Mexp Amt:Out of pkt med exp, prv 2 yrs
 R8OOPMD R8OOPMD:W8 Mexp Amt:Out of pkt med exp, prv 2 yrs
 R9OOPMD R9OOPMD:W9 Mexp Amt:Out of pkt med exp, prv 2 yrs
 R10OOPMDO R10OOPMDO:W10 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs
 R11OOPMDO R11OOPMDO:W11 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs
 R12OOPMDO R12OOPMDO:W12 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs

S5OOPMD S5OOPMD:W5 Mexp Amt:Out of pkt med exp, prv 2 yrs
 S6OOPMD S6OOPMD:W6 Mexp Amt:Out of pkt med exp, prv 2 yrs
 S7OOPMD S7OOPMD:W7 Mexp Amt:Out of pkt med exp, prv 2 yrs
 S8OOPMD S8OOPMD:W8 Mexp Amt:Out of pkt med exp, prv 2 yrs
 S9OOPMD S9OOPMD:W9 Mexp Amt:Out of pkt med exp, prv 2 yrs
 S10OOPMDO S10OOPMDO:W10 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs
 S11OOPMDO S11OOPMDO:W11 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs
 S12OOPMDO S12OOPMDO:W12 Mexp Amt:Out of pkt med exp w oth, prv 2 yrs

Item #21: Short Term Capital Gains or Losses)
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Wave	Variable	Label	Type
5	W5ITEM_21	W5ITEM_21: W5 Short Term Capital Gains or Losses	Cont
6	W6ITEM_21	W6ITEM_21: W6 Short Term Capital Gains or Losses	Cont
7	W7ITEM_21	W7ITEM_21: W7 Short Term Capital Gains or Losses	Cont
8	W8ITEM_21	W8ITEM_21: W8 Short Term Capital Gains or Losses	Cont
9	W9ITEM_21	W9ITEM_21: W9 Short Term Capital Gains or Losses	Cont
10	W10ITEM_21	W10ITEM_21: W10 Short Term Capital Gains or Losses	Cont
11	W11ITEM_21	W11ITEM_21: W11 Short Term Capital Gains or Losses	Cont
12	W12ITEM_21	W12ITEM_21: W12 Short Term Capital Gains or Losses	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_21	19579	0.00	0.00	0.0	0.0
W6ITEM_21	18165	0.00	0.00	0.0	0.0
W7ITEM_21	20129	0.00	0.00	0.0	0.0
W8ITEM_21	18469	0.00	0.00	0.0	0.0
W9ITEM_21	17217	0.00	0.00	0.0	0.0
W10ITEM_21	22034	0.00	0.00	0.0	0.0
W11ITEM_21	20554	0.00	0.00	0.0	0.0
W12ITEM_21	18747	0.00	0.00	0.0	0.0

How Constructed

We cannot recover short term capital gains or losses from the HRS in a reliable manner. Therefore, we set this variable to "0".

Item #22: Long Term Capital Gains or Losses)

Wave	Variable	Label	Type
5	W5ITEM_22	W5ITEM_22: W5 Long Term Capital Gains or Losses	Cont
6	W6ITEM_22	W6ITEM_22: W6 Long Term Capital Gains or Losses	Cont
7	W7ITEM_22	W7ITEM_22: W7 Long Term Capital Gains or Losses	Cont
8	W8ITEM_22	W8ITEM_22: W8 Long Term Capital Gains or Losses	Cont
9	W9ITEM_22	W9ITEM_22: W9 Long Term Capital Gains or Losses	Cont
10	W10ITEM_22	W10ITEM_22: W10 Long Term Capital Gains or Losses	Cont
11	W11ITEM_22	W11ITEM_22: W11 Long Term Capital Gains or Losses	Cont
12	W12ITEM_22	W12ITEM_22: W12 Long Term Capital Gains or Losses	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5ITEM_22	19579	0.00	0.00	0.0	0.0
W6ITEM_22	18165	0.00	0.00	0.0	0.0
W7ITEM_22	20129	0.00	0.00	0.0	0.0
W8ITEM_22	18469	0.00	0.00	0.0	0.0
W9ITEM_22	17217	0.00	0.00	0.0	0.0
W10ITEM_22	22034	0.00	0.00	0.0	0.0
W11ITEM_22	20554	0.00	0.00	0.0	0.0
W12ITEM_22	18747	0.00	0.00	0.0	0.0

How Constructed

We cannot recover long term capital gains or losses from the HRS in a reliable manner. Therefore, we set this variable to "0".

Section B: Output Variables

Federal Income Tax Liability

Wave	Variable	Label	Type
5	W5FED_TAX	Federal Income Tax Liability (HRS 2000)	Cont
6	W6FED_TAX	Federal Income Tax Liability (HRS 2002)	Cont
7	W7FED_TAX	Federal Income Tax Liability (HRS 2004)	Cont
8	W8FED_TAX	Federal Income Tax Liability (HRS 2006)	Cont
9	W9FED_TAX	Federal Income Tax Liability (HRS 2008)	Cont
10	W10FED_TAX	Federal Income Tax Liability (HRS 2010)	Cont
11	W11FED_TAX	Federal Income Tax Liability (HRS 2012)	Cont
12	W12FED_TAX	Federal Income Tax Liability (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5FED_TAX	998529	8463.95	35081.18	-3816.0	2162993.6
W6FED_TAX	926415	7608.31	31303.53	-4008.0	2866810.0
W7FED_TAX	1026579	9106.59	33273.59	-4204.0	1148343.6
W8FED_TAX	941919	9869.74	101796.04	-4400.0	8880267.5
W9FED_TAX	878067	10564.07	159938.93	-4800.0	20980626.9
W10FED_TAX	1123734	8190.73	29486.89	-6466.0	1895074.8
W11FED_TAX	1048254	9256.47	38282.14	-5891.0	2448091.0
W12FED_TAX	956097	9992.63	48363.73	-6044.0	3588118.0

How Constructed

The federal tax liability is one of the output variables produced by the NBER-Internet TAXSIM calculator. Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state. Because federal and state tax liabilities depend on each other in several states, the federal tax liability also varies by state of residence (i.e., it is not constant across the 51 records of a Respondent).

State Income Tax Liability

Wave	Variable	Label	Type
5	W5STA_TAX	State Income Tax Liability (HRS 2000)	Cont
6	W6STA_TAX	State Income Tax Liability (HRS 2002)	Cont
7	W7STA_TAX	State Income Tax Liability (HRS 2004)	Cont
8	W8STA_TAX	State Income Tax Liability (HRS 2006)	Cont
9	W9STA_TAX	State Income Tax Liability (HRS 2008)	Cont
10	W10STA_TAX	State Income Tax Liability (HRS 2010)	Cont
11	W11STA_TAX	State Income Tax Liability (HRS 2012)	Cont
12	W12STA_TAX	State Income Tax Liability (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5STA_TAX	998529	1542.65	5955.98	-7303.0	534343.4
W6STA_TAX	926415	1410.87	5385.01	-9027.5	693284.5
W7STA_TAX	1026579	1896.32	6468.95	-8443.6	316953.5
W8STA_TAX	941919	2008.04	18197.41	-17763.3	2607267.5
W9STA_TAX	878067	2085.17	27508.70	-18614.3	6167443.6
W10STA_TAX	1123734	1818.07	6134.03	-45082.0	564311.4
W11STA_TAX	1048254	1958.05	8009.93	-75090.0	777033.9
W12STA_TAX	956097	1947.28	8568.48	-75000.0	1438973.9

How Constructed

The state tax liability is one of the output variables produced by the NBER-Internet TAXSIM calculator. Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state.

FICA (OASDI and HI, Sum of Employee and Employer)
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Wave	Variable	Label	Type
5	W5FICA_TAX	FICA (OASDI and HI, Sum of Employee and Employer) (HRS 2000)	Cont
6	W6FICA_TAX	FICA (OASDI and HI, Sum of Employee and Employer) (HRS 2002)	Cont
7	W7FICA_TAX	FICA (OASDI and HI, Sum of Employee and Employer) (HRS 2004)	Cont
8	W8FICA_TAX	FICA (OASDI and HI, Sum of Employee and Employer) (HRS 2006)	Cont
9	W9FICA_TAX	FICA (OASDI and HI, Sum of Employee and Employer) (HRS 2008)	Cont
10	W10FICA_TAX	FICA (OASDI and HI, Sum of Employee and Employer) (HRS 2010)	Cont
11	W11FICA_TAX	FICA (OASDI and HI, Sum of Employee and Employer) (HRS 2012)	Cont
12	W12FICA_TAX	FICA (OASDI and HI, Sum of Employee and Employer) (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5FICA_TAX	998529	2627.19	4531.98	0.0	67002.4
W6FICA_TAX	926415	2582.09	4714.31	0.0	33903.6
W7FICA_TAX	1026579	3353.69	5694.26	0.0	76438.0
W8FICA_TAX	941919	3082.57	5673.58	0.0	200385.0
W9FICA_TAX	878067	3039.12	5764.88	0.0	75191.0
W10FICA_TAX	1123734	3994.29	6618.79	0.0	53843.2
W11FICA_TAX	1048254	3327.30	5759.77	0.0	56231.4
W12FICA_TAX	956097	3759.47	6832.57	0.0	73058.0

How Constructed

The amount for FICA (OASDI and HI, sum of employee and employer) is one of the output variables produced by the NBER-Internet TAXSIM calculator. Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state. The FICA amounts do not vary by state of residence, and therefore are constant for each Respondent across the 51 records.

Federal Marginal Rate

Wave	Variable	Label	Type
5	W5FED_RTE	Federal Marginal Rate (HRS 2000)	Cont
6	W6FED_RTE	Federal Marginal Rate (HRS 2002)	Cont
7	W7FED_RTE	Federal Marginal Rate (HRS 2004)	Cont
8	W8FED_RTE	Federal Marginal Rate (HRS 2006)	Cont
9	W9FED_RTE	Federal Marginal Rate (HRS 2008)	Cont
10	W10FED_RTE	Federal Marginal Rate (HRS 2010)	Cont
11	W11FED_RTE	Federal Marginal Rate (HRS 2012)	Cont
12	W12FED_RTE	Federal Marginal Rate (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5FED_RTE	998529	13.47	14.75	-40.0	54.1
W6FED_RTE	926415	11.92	14.82	-40.0	57.5
W7FED_RTE	1026579	11.24	14.11	-99.0	54.1
W8FED_RTE	941919	11.17	14.10	-99.0	57.5
W9FED_RTE	878067	11.15	14.13	-99.0	57.5
W10FED_RTE	1123734	9.29	16.12	-99.0	66.7
W11FED_RTE	1048254	10.10	15.28	-99.0	57.5
W12FED_RTE	956097	10.08	15.57	-99.0	57.5

How Constructed

The federal marginal rate is one of the output variables produced by the NBER-Internet TAXSIM calculator. Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state.

State Marginal Rate

Wave	Variable	Label	Type
5	W5STA_RTE	State Marginal Rate (HRS 2000)	Cont
6	W6STA_RTE	State Marginal Rate (HRS 2002)	Cont
7	W7STA_RTE	State Marginal Rate (HRS 2004)	Cont
8	W8STA_RTE	State Marginal Rate (HRS 2006)	Cont
9	W9STA_RTE	State Marginal Rate (HRS 2008)	Cont
10	W10STA_RTE	State Marginal Rate (HRS 2010)	Cont
11	W11STA_RTE	State Marginal Rate (HRS 2012)	Cont
12	W12STA_RTE	State Marginal Rate (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5STA_RTE	998529	2.90	11.29	-23.0	999.0
W6STA_RTE	926415	2.71	12.66	-20.9	999.0
W7STA_RTE	1026579	2.73	3.29	-22.0	150.0
W8STA_RTE	941919	2.67	3.29	-23.0	100.0
W9STA_RTE	878067	2.58	3.27	-46.7	100.0
W10STA_RTE	1123734	2.53	3.32	-64.1	121.5
W11STA_RTE	1048254	2.50	3.34	-99.0	116.5
W12STA_RTE	956097	2.43	3.29	-23.0	105.5

How Constructed

The state marginal rate is one of the output variables produced by the NBER-Internet TAXSIM calculator. Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state.

FICA Rate

Wave	Variable	Label	Type
5	W5FICA_RTE	FICA Rate (HRS 2000)	Cont
6	W6FICA_RTE	FICA Rate (HRS 2002)	Cont
7	W7FICA_RTE	FICA Rate (HRS 2004)	Cont
8	W8FICA_RTE	FICA Rate (HRS 2006)	Cont
9	W9FICA_RTE	FICA Rate (HRS 2008)	Cont
10	W10FICA_RTE	FICA Rate (HRS 2010)	Cont
11	W11FICA_RTE	FICA Rate (HRS 2012)	Cont
12	W12FICA_RTE	FICA Rate (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5FICA_RTE	998529	6.19	7.37	0.0	15.3
W6FICA_RTE	926415	5.72	7.28	0.0	15.3
W7FICA_RTE	1026579	6.49	7.41	0.0	15.3
W8FICA_RTE	941919	5.97	7.33	0.0	15.3
W9FICA_RTE	878067	5.64	7.26	0.0	15.3
W10FICA_RTE	1123734	6.69	7.46	0.0	15.3
W11FICA_RTE	1048254	5.51	6.43	0.0	13.3
W12FICA_RTE	956097	5.99	7.34	0.0	15.3

How Constructed

The FICA rate is one of the output variables produced by the NBER-Internet TAXSIM calculator. Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state. The FICA rate does not vary by state of residence and therefore is constant for each Respondent across the 51 records.

Federal Marginal Rate (\$1K Finite Difference)

Wave	Variable	Label	Type
5	W5FED_RTE_1K	Federal Marginal Rate, \$1K F.D. (HRS 2000)	Cont
6	W6FED_RTE_1K	Federal Marginal Rate, \$1K F.D. (HRS 2002)	Cont
7	W7FED_RTE_1K	Federal Marginal Rate, \$1K F.D. (HRS 2004)	Cont
8	W8FED_RTE_1K	Federal Marginal Rate, \$1K F.D. (HRS 2006)	Cont
9	W9FED_RTE_1K	Federal Marginal Rate, \$1K F.D. (HRS 2008)	Cont
10	W10FED_RTE_1K	Federal Marginal Rate, \$1K F.D. (HRS 2010)	Cont
11	W11FED_RTE_1K	Federal Marginal Rate, \$1K F.D. (HRS 2012)	Cont
12	W12FED_RTE_1K	Federal Marginal Rate, \$1K F.D. (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5FED_RTE_1K	998529	14.81	12.73	-10.2	84.1
W6FED_RTE_1K	926415	13.39	12.70	-15.4	70.1
W7FED_RTE_1K	1026579	12.74	11.65	-16.8	56.4
W8FED_RTE_1K	941919	12.62	11.69	-35.2	72.2
W9FED_RTE_1K	878067	12.56	11.78	-13.1	59.0
W10FED_RTE_1K	1123734	12.25	11.73	-94.5	64.7
W11FED_RTE_1K	1048254	12.25	11.72	-12.6	57.5
W12FED_RTE_1K	956097	12.26	12.07	-12.6	67.1

How Constructed

The federal marginal rate using a finite difference of \$1,000 of income is one of the output variables produced by the NBER-Internet TAXSIM calculator. Since federal and state tax codes can be highly non-linear, it is possible that the marginal tax rate computed on the basis of a very small change in income, such as \$0.10 or \$1, can be misleading, especially if the person is close to a "kink" in the tax function. What is a meaningful income change to assume in the calculation of marginal tax rates depends on the context of the research question. We have therefore included several alternative computations of the marginal tax rates based on different scenarios for the assumed income change. We refer to these as finite difference calculations, which compute the increase in taxes due to a discrete change in income. The TAXSIM model distinguishes between types of additional income when computing these finite difference calculations, and several options are available when making these computations. These include: Other Income, Wage Income, Taxpayer Earnings, Spouse Earnings, Long Term Gains, Dividends, Mortgage Interest, and Pension/Annuity Income. We have chosen Pension/Annuity Income for these finite difference calculations.

Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state.

State Marginal Rate (\$1K Finite Difference)

Wave	Variable	Label	Type
5	W5STA_RTE_1K	State Marginal Rate, \$1K F.D. (HRS 2000)	Cont
6	W6STA_RTE_1K	State Marginal Rate, \$1K F.D. (HRS 2002)	Cont
7	W7STA_RTE_1K	State Marginal Rate, \$1K F.D. (HRS 2004)	Cont
8	W8STA_RTE_1K	State Marginal Rate, \$1K F.D. (HRS 2006)	Cont
9	W9STA_RTE_1K	State Marginal Rate, \$1K F.D. (HRS 2008)	Cont
10	W10STA_RTE_1K	State Marginal Rate, \$1K F.D. (HRS 2010)	Cont
11	W11STA_RTE_1K	State Marginal Rate, \$1K F.D. (HRS 2012)	Cont
12	W12STA_RTE_1K	State Marginal Rate, \$1K F.D. (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5STA_RTE_1K	998529	2.49	3.41	-28.1	75.0
W6STA_RTE_1K	926415	2.33	3.32	-25.0	75.0
W7STA_RTE_1K	1026579	2.46	3.35	-25.0	75.0
W8STA_RTE_1K	941919	2.41	3.36	-31.1	75.0
W9STA_RTE_1K	878067	2.32	3.35	-30.6	110.0
W10STA_RTE_1K	1123734	2.31	3.36	-25.0	110.0
W11STA_RTE_1K	1048254	2.27	3.31	-24.9	110.0
W12STA_RTE_1K	956097	2.22	3.28	-24.9	110.0

How Constructed

The state marginal rate using a finite difference of \$1,000 of income is one of the output variables produced by the NBER-Internet TAXSIM calculator. Since federal and state tax codes can be highly non-linear, it is possible that the marginal tax rate computed on the basis of a very small change in income, such as \$0.10 or \$1, can be misleading, especially if the person is close to a "kink" in the tax function. What is a meaningful income change to assume in the calculation of marginal tax rates depends on the context of the research question. We have therefore included several alternative computations of the marginal tax rates based on different scenarios for the assumed income change. We refer to these as finite difference calculations, which compute the increase in taxes due to a discrete change in income. The TAXSIM model distinguishes between types of additional income when computing these finite difference calculations, and several options are available when making these computations. These include: Other Income, Wage Income, Taxpayer Earnings, Spouse Earnings, Long Term Gains, Dividends, Mortgage Interest, and Pension/Annuity Income. We have chosen Pension/Annuity Income for these finite difference calculations.

Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state.

Federal Marginal Rate (\$5K Finite Difference)

Wave	Variable	Label	Type
5	W5FED_RTE_5K	Federal Marginal Rate, \$5K F.D. (HRS 2000)	Cont
6	W6FED_RTE_5K	Federal Marginal Rate, \$5K F.D. (HRS 2002)	Cont
7	W7FED_RTE_5K	Federal Marginal Rate, \$5K F.D. (HRS 2004)	Cont
8	W8FED_RTE_5K	Federal Marginal Rate, \$5K F.D. (HRS 2006)	Cont
9	W9FED_RTE_5K	Federal Marginal Rate, \$5K F.D. (HRS 2008)	Cont
10	W10FED_RTE_5K	Federal Marginal Rate, \$5K F.D. (HRS 2010)	Cont
11	W11FED_RTE_5K	Federal Marginal Rate, \$5K F.D. (HRS 2012)	Cont
12	W12FED_RTE_5K	Federal Marginal Rate, \$5K F.D. (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5FED_RTE_5K	998529	15.61	12.30	-0.8	61.5
W6FED_RTE_5K	926415	14.15	12.49	-0.0	56.9
W7FED_RTE_5K	1026579	13.35	11.44	-0.8	54.2
W8FED_RTE_5K	941919	13.22	11.50	-1.5	55.4
W9FED_RTE_5K	878067	13.18	11.56	-1.3	56.0
W10FED_RTE_5K	1123734	12.77	11.56	-17.9	63.0
W11FED_RTE_5K	1048254	12.72	11.56	-0.7	62.1
W12FED_RTE_5K	956097	12.75	11.91	-2.2	59.0

How Constructed

The federal marginal rate using a finite difference of \$5,000 of income is one of the output variables produced by the NBER-Internet TAXSIM calculator. Since federal and state tax codes can be highly non-linear, it is possible that the marginal tax rate computed on the basis of a very small change in income, such as \$0.10 or \$1, can be misleading, especially if the person is close to a "kink" in the tax function. What is a meaningful income change to assume in the calculation of marginal tax rates depends on the context of the research question. We have therefore included several alternative computations of the marginal tax rates based on different scenarios for the assumed income change. We refer to these as finite difference calculations, which compute the increase in taxes due to a discrete change in income. The TAXSIM model distinguishes between types of additional income when computing these finite difference calculations, and several options are available when making these computations. These include: Other Income, Wage Income, Taxpayer Earnings, Spouse Earnings, Long Term Gains, Dividends, Mortgage Interest, and Pension/Annuity Income. We have chosen Pension/Annuity Income for these finite difference calculations.

Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state.

State Marginal Rate (\$5K Finite Difference)

Wave	Variable	Label	Type
5	W5STA_RTE_5K	State Marginal Rate, \$5K F.D. (HRS 2000)	Cont
6	W6STA_RTE_5K	State Marginal Rate, \$5K F.D. (HRS 2002)	Cont
7	W7STA_RTE_5K	State Marginal Rate, \$5K F.D. (HRS 2004)	Cont
8	W8STA_RTE_5K	State Marginal Rate, \$5K F.D. (HRS 2006)	Cont
9	W9STA_RTE_5K	State Marginal Rate, \$5K F.D. (HRS 2008)	Cont
10	W10STA_RTE_5K	State Marginal Rate, \$5K F.D. (HRS 2010)	Cont
11	W11STA_RTE_5K	State Marginal Rate, \$5K F.D. (HRS 2012)	Cont
12	W12STA_RTE_5K	State Marginal Rate, \$5K F.D. (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5STA_RTE_5K	998529	2.69	3.23	-12.9	24.9
W6STA_RTE_5K	926415	2.52	3.16	-11.9	24.9
W7STA_RTE_5K	1026579	2.64	3.20	-11.2	24.6
W8STA_RTE_5K	941919	2.59	3.19	-11.2	24.7
W9STA_RTE_5K	878067	2.50	3.17	-17.6	25.0
W10STA_RTE_5K	1123734	2.48	3.11	-24.2	25.0
W11STA_RTE_5K	1048254	2.43	3.11	-17.9	25.0
W12STA_RTE_5K	956097	2.38	3.08	-17.9	26.6

How Constructed

The state marginal rate using a finite difference of \$5,000 of income is one of the output variables produced by the NBER-Internet TAXSIM calculator. Since federal and state tax codes can be highly non-linear, it is possible that the marginal tax rate computed on the basis of a very small change in income, such as \$0.10 or \$1, can be misleading, especially if the person is close to a "kink" in the tax function. What is a meaningful income change to assume in the calculation of marginal tax rates depends on the context of the research question. We have therefore included several alternative computations of the marginal tax rates based on different scenarios for the assumed income change. We refer to these as finite difference calculations, which compute the increase in taxes due to a discrete change in income. The TAXSIM model distinguishes between types of additional income when computing these finite difference calculations, and several options are available when making these computations. These include: Other Income, Wage Income, Taxpayer Earnings, Spouse Earnings, Long Term Gains, Dividends, Mortgage Interest, and Pension/Annuity Income. We have chosen Pension/Annuity Income for these finite difference calculations.

Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state.

Federal Marginal Rate (\$10K Finite Difference)
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Wave	Variable	Label	Type
5	W5FED_RTE_10K	Federal Marginal Rate, \$10K F.D. (HRS 2000)	Cont
6	W6FED_RTE_10K	Federal Marginal Rate, \$10K F.D. (HRS 2002)	Cont
7	W7FED_RTE_10K	Federal Marginal Rate, \$10K F.D. (HRS 2004)	Cont
8	W8FED_RTE_10K	Federal Marginal Rate, \$10K F.D. (HRS 2006)	Cont
9	W9FED_RTE_10K	Federal Marginal Rate, \$10K F.D. (HRS 2008)	Cont
10	W10FED_RTE_10K	Federal Marginal Rate, \$10K F.D. (HRS 2010)	Cont
11	W11FED_RTE_10K	Federal Marginal Rate, \$10K F.D. (HRS 2012)	Cont
12	W12FED_RTE_10K	Federal Marginal Rate, \$10K F.D. (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5FED_RTE_10K	998529	17.01	11.33	0.0	55.4
W6FED_RTE_10K	926415	15.36	11.90	0.0	53.0
W7FED_RTE_10K	1026579	14.32	10.92	0.0	46.3
W8FED_RTE_10K	941919	14.18	11.07	0.0	49.0
W9FED_RTE_10K	878067	14.01	11.19	0.0	47.5
W10FED_RTE_10K	1123734	13.47	11.25	-1.4	49.5
W11FED_RTE_10K	1048254	13.44	11.28	0.0	52.5
W12FED_RTE_10K	956097	13.43	11.66	-0.1	55.8

How Constructed

The federal marginal rate using a finite difference of \$10,000 of income is one of the output variables produced by the NBER-Internet TAXSIM calculator. Since federal and state tax codes can be highly non-linear, it is possible that the marginal tax rate computed on the basis of a very small change in income, such as \$0.10 or \$1, can be misleading, especially if the person is close to a "kink" in the tax function. What is a meaningful income change to assume in the calculation of marginal tax rates depends on the context of the research question. We have therefore included several alternative computations of the marginal tax rates based on different scenarios for the assumed income change. We refer to these as finite difference calculations, which compute the increase in taxes due to a discrete change in income. The TAXSIM model distinguishes between types of additional income when computing these finite difference calculations, and several options are available when making these computations. These include: Other Income, Wage Income, Taxpayer Earnings, Spouse Earnings, Long Term Gains, Dividends, Mortgage Interest, and Pension/Annuity Income. We have chosen Pension/Annuity Income for these finite difference calculations.

Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state.

State Marginal Rate (\$10K Finite Difference)
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Wave	Variable	Label	Type
5	W5STA_RTE_10K	State Marginal Rate, \$10K F.D. (HRS 2000)	Cont
6	W6STA_RTE_10K	State Marginal Rate, \$10K F.D. (HRS 2002)	Cont
7	W7STA_RTE_10K	State Marginal Rate, \$10K F.D. (HRS 2004)	Cont
8	W8STA_RTE_10K	State Marginal Rate, \$10K F.D. (HRS 2006)	Cont
9	W9STA_RTE_10K	State Marginal Rate, \$10K F.D. (HRS 2008)	Cont
10	W10STA_RTE_10K	State Marginal Rate, \$10K F.D. (HRS 2010)	Cont
11	W11STA_RTE_10K	State Marginal Rate, \$10K F.D. (HRS 2012)	Cont
12	W12STA_RTE_10K	State Marginal Rate, \$10K F.D. (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5STA_RTE_10K	998529	2.97	3.12	-5.2	24.4
W6STA_RTE_10K	926415	2.77	3.07	-3.8	23.6
W7STA_RTE_10K	1026579	2.89	3.10	-5.1	23.9
W8STA_RTE_10K	941919	2.83	3.11	-5.0	24.8
W9STA_RTE_10K	878067	2.71	3.09	-5.6	24.6
W10STA_RTE_10K	1123734	2.69	3.02	-8.3	24.9
W11STA_RTE_10K	1048254	2.64	3.04	-21.1	25.0
W12STA_RTE_10K	956097	2.58	3.01	-8.3	25.0

How Constructed

The state marginal rate using a finite difference of \$10,000 of income is one of the output variables produced by the NBER-Internet TAXSIM calculator. Since federal and state tax codes can be highly non-linear, it is possible that the marginal tax rate computed on the basis of a very small change in income, such as \$0.10 or \$1, can be misleading, especially if the person is close to a "kink" in the tax function. What is a meaningful income change to assume in the calculation of marginal tax rates depends on the context of the research question. We have therefore included several alternative computations of the marginal tax rates based on different scenarios for the assumed income change. We refer to these as finite difference calculations, which compute the increase in taxes due to a discrete change in income. The TAXSIM model distinguishes between types of additional income when computing these finite difference calculations, and several options are available when making these computations. These include: Other Income, Wage Income, Taxpayer Earnings, Spouse Earnings, Long Term Gains, Dividends, Mortgage Interest, and Pension/Annuity Income. We have chosen Pension/Annuity Income for these finite difference calculations.

Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state.

Federal Marginal Rate (\$50K Finite Difference)
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Wave	Variable	Label	Type
5	W5FED_RTE_50K	Federal Marginal Rate, \$50K F.D. (HRS 2000)	Cont
6	W6FED_RTE_50K	Federal Marginal Rate, \$50K F.D. (HRS 2002)	Cont
7	W7FED_RTE_50K	Federal Marginal Rate, \$50K F.D. (HRS 2004)	Cont
8	W8FED_RTE_50K	Federal Marginal Rate, \$50K F.D. (HRS 2006)	Cont
9	W9FED_RTE_50K	Federal Marginal Rate, \$50K F.D. (HRS 2008)	Cont
10	W10FED_RTE_50K	Federal Marginal Rate, \$50K F.D. (HRS 2010)	Cont
11	W11FED_RTE_50K	Federal Marginal Rate, \$50K F.D. (HRS 2012)	Cont
12	W12FED_RTE_50K	Federal Marginal Rate, \$50K F.D. (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5FED_RTE_50K	998529	24.37	5.72	0.0	42.6
W6FED_RTE_50K	926415	23.26	6.13	0.0	42.6
W7FED_RTE_50K	1026579	20.90	5.97	0.0	38.0
W8FED_RTE_50K	941919	20.89	5.81	0.0	42.4
W9FED_RTE_50K	878067	20.62	5.80	0.0	43.3
W10FED_RTE_50K	1123734	19.91	6.23	0.0	42.1
W11FED_RTE_50K	1048254	19.84	6.23	0.0	46.8
W12FED_RTE_50K	956097	19.88	6.63	-0.1	53.7

How Constructed

The federal marginal rate using a finite difference of \$50,000 of income is one of the output variables produced by the NBER-Internet TAXSIM calculator. Since federal and state tax codes can be highly non-linear, it is possible that the marginal tax rate computed on the basis of a very small change in income, such as \$0.10 or \$1, can be misleading, especially if the person is close to a "kink" in the tax function. What is a meaningful income change to assume in the calculation of marginal tax rates depends on the context of the research question. We have therefore included several alternative computations of the marginal tax rates based on different scenarios for the assumed income change. We refer to these as finite difference calculations, which compute the increase in taxes due to a discrete change in income. The TAXSIM model distinguishes between types of additional income when computing these finite difference calculations, and several options are available when making these computations. These include: Other Income, Wage Income, Taxpayer Earnings, Spouse Earnings, Long Term Gains, Dividends, Mortgage Interest, and Pension/Annuity Income. We have chosen Pension/Annuity Income for these finite difference calculations.

Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state.

State Marginal Rate (\$50K Finite Difference)
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Wave	Variable	Label	Type
5	W5STA_RTE_50K	State Marginal Rate, \$50K F.D. (HRS 2000)	Cont
6	W6STA_RTE_50K	State Marginal Rate, \$50K F.D. (HRS 2002)	Cont
7	W7STA_RTE_50K	State Marginal Rate, \$50K F.D. (HRS 2004)	Cont
8	W8STA_RTE_50K	State Marginal Rate, \$50K F.D. (HRS 2006)	Cont
9	W9STA_RTE_50K	State Marginal Rate, \$50K F.D. (HRS 2008)	Cont
10	W10STA_RTE_50K	State Marginal Rate, \$50K F.D. (HRS 2010)	Cont
11	W11STA_RTE_50K	State Marginal Rate, \$50K F.D. (HRS 2012)	Cont
12	W12STA_RTE_50K	State Marginal Rate, \$50K F.D. (HRS 2014)	Cont

Descriptive Statistics

Variable	N	Mean	Std Dev	Minimum	Maximum
W5STA_RTE_50K	998529	4.15	2.87	-0.4	20.8
W6STA_RTE_50K	926415	4.00	2.83	-0.7	22.5
W7STA_RTE_50K	1026579	4.05	2.85	-0.2	23.1
W8STA_RTE_50K	941919	4.00	2.83	-0.0	24.8
W9STA_RTE_50K	878067	3.87	2.80	-1.4	24.4
W10STA_RTE_50K	1123734	3.81	2.74	-2.5	23.0
W11STA_RTE_50K	1048254	3.75	2.75	-6.4	24.4
W12STA_RTE_50K	956097	3.69	2.71	0.0	24.5

How Constructed

The state marginal rate using a finite difference of \$50,000 of income is one of the output variables produced by the NBER-Internet TAXSIM calculator. Since federal and state tax codes can be highly non-linear, it is possible that the marginal tax rate computed on the basis of a very small change in income, such as \$0.10 or \$1, can be misleading, especially if the person is close to a "kink" in the tax function. What is a meaningful income change to assume in the calculation of marginal tax rates depends on the context of the research question. We have therefore included several alternative computations of the marginal tax rates based on different scenarios for the assumed income change. We refer to these as finite difference calculations, which compute the increase in taxes due to a discrete change in income. The TAXSIM model distinguishes between types of additional income when computing these finite difference calculations, and several options are available when making these computations. These include: Other Income, Wage Income, Taxpayer Earnings, Spouse Earnings, Long Term Gains, Dividends, Mortgage Interest, and Pension/Annuity Income. We have chosen Pension/Annuity Income for these finite difference calculations.

Every Respondent appears 51 times in each file, where each record contains the tax calculations for another state.

Appendix

Section A: Marital Status

HRS 2000			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R5MSTAT)	Marital Status for Tax Calculations (ITEM #4)
10719020	1.Yes	1.Married	2.Married
10719030	1.Yes	1.Married	2.Married
10740010	0.No	.M=Oth missing	1.Single
12232010	1.Yes	1.Married	2.Married
12232040	0.No	1.Married	2.Married
13296010	0.No	.M=Oth missing	1.Single
13899010	0.No	.M=Oth missing	1.Single
14996010	0.No	.M=Oth missing	1.Single
17844010	0.No	.M=Oth missing	1.Single
18918040	1.Yes	1.Married	2.Married
18918041	0.No	1.Married	2.Married
20221010	1.Yes	1.Married	2.Married
20221011	1.Yes	1.Married	2.Married
32552010	0.No	.M=Oth missing	1.Single
32996010	0.No	.M=Oth missing	1.Single
33530010	0.No	.M=Oth missing	1.Single
36495010	1.Yes	3.Partnered	1.Single
36495011	0.No	3.Partnered	1.Single
39268010	0.No	3.Partnered	1.Single
39268011	1.Yes	3.Partnered	1.Single
40441010	1.Yes	1.Married	2.Married
40441020	0.No	1.Married	2.Married
49427010	0.No	.M=Oth missing	1.Single
56721010	0.No	.M=Oth missing	1.Single
72274010	0.No	.M=Oth missing	1.Single
77917020	0.No	1.Married	2.Married
77917030	1.Yes	1.Married	2.Married
79358010	0.No	.M=Oth missing	1.Single
84272021	0.No	.M=Oth missing	1.Single
84601010	0.No	1.Married	2.Married
84601040	1.Yes	1.Married	2.Married
90841030	1.Yes	1.Married	2.Married
90841031	0.No	1.Married	2.Married
116838010	0.No	.M=Oth missing	1.Single
118294010	0.No	.M=Oth missing	1.Single
136339010	0.No	.M=Oth missing	1.Single
145534010	0.No	3.Partnered	1.Single
145534020	0.No	1.Married	2.Married
159117010	1.Yes	1.Married	2.Married
159117020	0.No	1.Married	2.Married
202107010	1.Yes	1.Married	2.Married
202107020	1.Yes	1.Married	2.Married
204173010	0.No	.M=Oth missing	1.Single
207805010	0.No	.M=Oth missing	1.Single
212097010	0.No	.M=Oth missing	1.Single
213407010	0.No	.M=Oth missing	1.Single

HRS 2002			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R6MSTAT)	Marital Status for Tax Calculations (ITEM #4)
12124020	1.Yes	3.Partnered	1.Single
12124030	0.No	3.Partnered	1.Single
13137020	0.No	3.Partnered	1.Single
13137021	1.Yes	3.Partnered	1.Single
19935010	0.No	1.Married	2.Married
20221010	1.Yes	4.Separated	1.Single
32727010	0.No	.M=Oth missing	1.Single
33069010	1.Yes	3.Partnered	1.Single
33069011	0.No	3.Partnered	1.Single
34989010	0.No	.M=Oth missing	1.Single
48686010	1.Yes	3.Partnered	1.Single
48686020	0.No	3.Partnered	1.Single
53648010	1.Yes	4.Separated	1.Single
59570010	1.Yes	3.Partnered	1.Single
59570040	0.No	3.Partnered	1.Single
59580010	0.No	.M=Oth missing	1.Single
59580040	0.No	.M=Oth missing	1.Single
72143010	0.No	3.Partnered	1.Single
72143040	1.Yes	3.Partnered	1.Single
77675010	0.No	.M=Oth missing	1.Single
79479041	0.No	3.Partnered	1.Single
87167010	1.Yes	4.Separated	1.Single
111502010	1.Yes	3.Partnered	1.Single
111502020	0.No	3.Partnered	1.Single
112822010	0.No	3.Partnered	1.Single
112822020	1.Yes	3.Partnered	1.Single
116027010	0.No	3.Partnered	1.Single
116027020	1.Yes	3.Partnered	1.Single
118294010	0.No	.M=Oth missing	1.Single
120312010	1.Yes	3.Partnered	1.Single
120312020	0.No	3.Partnered	1.Single
137429010	1.Yes	5.Divorced	1.Single
140836020	0.No	3.Partnered	1.Single
140836021	1.Yes	3.Partnered	1.Single
144360010	0.No	.M=Oth missing	1.Single
145797010	1.Yes	3.Partnered	1.Single
145797020	0.No	3.Partnered	1.Single
171635010	0.No	3.Partnered	1.Single
171635020	1.Yes	3.Partnered	1.Single
171835011	0.No	3.Partnered	1.Single
176718010	0.No	.M=Oth missing	1.Single
179418010	0.No	.M=Oth missing	1.Single
182026010	0.No	3.Partnered	1.Single
182026020	1.Yes	3.Partnered	1.Single
183944020	0.No	.M=Oth missing	1.Single
184297010	0.No	3.Partnered	1.Single
184297020	1.Yes	3.Partnered	1.Single
200196010	0.No	.M=Oth missing	1.Single
203740010	0.No	.M=Oth missing	1.Single
205459010	0.No	.M=Oth missing	1.Single
205602010	0.No	3.Partnered	1.Single
205602020	1.Yes	3.Partnered	1.Single

HRS 2002			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R6MSTAT)	Marital Status for Tax Calculations (ITEM #4)
211911010	0.No	3.Partnered	1.Single
211911020	1.Yes	3.Partnered	1.Single
211982010	0.No	.M=Oth missing	1.Single
212618010	0.No	.M=Oth missing	1.Single

HRS 2004			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R7MSTAT)	Marital Status for Tax Calculations (ITEM #4)
12481010	1.Yes	3.Partnered	1.Single
12481011	0.No	3.Partnered	1.Single
13899010	0.No	.M=Oth missing	1.Single
14701010	0.No	.M=Oth missing	1.Single
16566010	0.No	3.Partnered	1.Single
16566020	1.Yes	3.Partnered	1.Single
18483020	1.Yes	4.Separated	1.Single
33530010	0.No	.M=Oth missing	1.Single
33600020	1.Yes	4.Separated	1.Single
36495010	1.Yes	3.Partnered	1.Single
36495011	0.No	3.Partnered	1.Single
37477020	0.No	3.Partnered	1.Single
37477021	1.Yes	3.Partnered	1.Single
41590040	1.Yes	3.Partnered	1.Single
41590041	0.No	3.Partnered	1.Single
42304040	0.No	.M=Oth missing	1.Single
46394010	1.Yes	3.Partnered	1.Single
46394011	0.No	3.Partnered	1.Single
55120010	0.No	3.Partnered	1.Single
56792010	0.No	.M=Oth missing	1.Single
72143010	0.No	3.Partnered	1.Single
72143040	1.Yes	3.Partnered	1.Single
79358010	0.No	.M=Oth missing	1.Single
84951010	0.No	.M=Oth missing	1.Single
85363010	1.Yes	3.Partnered	1.Single
85363011	0.No	3.Partnered	1.Single
87167010	1.Yes	3.Partnered	1.Single
87167011	0.No	3.Partnered	1.Single
92607010	0.No	3.Partnered	1.Single
92607011	1.Yes	3.Partnered	1.Single
145797010	1.Yes	3.Partnered	1.Single
145797020	0.No	3.Partnered	1.Single
203119010	0.No	2.Married,spouse absent	2.Married
210076010	0.No	3.Partnered	1.Single
210076020	1.Yes	3.Partnered	1.Single
210157010	0.No	.M=Oth missing	1.Single
212097010	0.No	.M=Oth missing	1.Single
500082010	0.No	.M=Oth missing	1.Single
500177010	0.No	.M=Oth missing	1.Single
500415010	0.No	.M=Oth missing	1.Single
500501010	0.No	3.Partnered	1.Single
500501020	1.Yes	3.Partnered	1.Single
501668010	0.No	.M=Oth missing	1.Single
501914010	0.No	.M=Oth missing	1.Single
502524010	0.No	.M=Oth missing	1.Single

HRS 2006			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R8MSTAT)	Marital Status for Tax Calculations (ITEM #4)
16566010	0.No	3.Partnered	1.Single
16566020	1.Yes	3.Partnered	1.Single
19537010	0.No	3.Partnered	1.Single
19537011	1.Yes	3.Partnered	1.Single
22388020	1.Yes	3.Partnered	1.Single
22388030	0.No	3.Partnered	1.Single
31318011	0.No	2.Married,spouse absent	2.Married
34836010	0.No	3.Partnered	1.Single
34836011	1.Yes	3.Partnered	1.Single
38308041	0.No	3.Partnered	1.Single
43284010	0.No	2.Married,spouse absent	2.Married
46394010	1.Yes	3.Partnered	1.Single
46394011	0.No	3.Partnered	1.Single
49516010	0.No	3.Partnered	1.Single
49516011	1.Yes	3.Partnered	1.Single
59368010	0.No	3.Partnered	1.Single
59368040	1.Yes	3.Partnered	1.Single
60637040	0.No	3.Partnered	1.Single
60637041	1.Yes	3.Partnered	1.Single
112432010	1.Yes	3.Partnered	1.Single
112432020	0.No	3.Partnered	1.Single
116027010	0.No	3.Partnered	1.Single
116027020	1.Yes	3.Partnered	1.Single
145797010	1.Yes	3.Partnered	1.Single
145797020	0.No	3.Partnered	1.Single
500415010	0.No	.M=Oth missing	1.Single
500637010	0.No	3.Partnered	1.Single
500637020	1.Yes	3.Partnered	1.Single
500755010	1.Yes	3.Partnered	1.Single
500755020	0.No	3.Partnered	1.Single
501743010	1.Yes	3.Partnered	1.Single
501743020	0.No	3.Partnered	1.Single
501914010	0.No	.M=Oth missing	1.Single
502479010	0.No	3.Partnered	1.Single
502479020	1.Yes	3.Partnered	1.Single

HRS 2008			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R9MSTAT)	Marital Status for Tax Calculations (ITEM #4)
10537010	0.No	3.Partnered	1.Single
10537011	1.Yes	3.Partnered	1.Single
10577011	0.No	1.Married	2.Married
16566010	0.No	3.Partnered	1.Single
16566020	1.Yes	3.Partnered	1.Single
17626010	1.Yes	3.Partnered	1.Single
17626011	0.No	3.Partnered	1.Single
19345020	1.Yes	3.Partnered	1.Single
19345030	0.No	3.Partnered	1.Single
36946010	0.No	.M=Oth missing	1.Single
41423040	0.No	3.Partnered	1.Single
41423041	1.Yes	3.Partnered	1.Single
43151010	0.No	3.Partnered	1.Single
43151011	1.Yes	3.Partnered	1.Single
47533030	0.No	3.Partnered	1.Single
47533032	1.Yes	3.Partnered	1.Single
48474041	0.No	3.Partnered	1.Single
56651010	0.No	3.Partnered	1.Single
56651011	1.Yes	3.Partnered	1.Single
58153010	0.No	3.Partnered	1.Single
62183040	0.No	3.Partnered	1.Single
62890010	0.No	3.Partnered	1.Single
62890011	1.Yes	3.Partnered	1.Single
64609040	0.No	.M=Oth missing	1.Single
84986030	0.No	3.Partnered	1.Single
84986031	1.Yes	3.Partnered	1.Single
112432010	0.No	2.Married,spouse absent	2.Married
116027010	0.No	3.Partnered	1.Single
116027020	1.Yes	3.Partnered	1.Single
151409010	0.No	3.Partnered	1.Single
151409012	1.Yes	3.Partnered	1.Single
210429010	0.No	2.Married,spouse absent	2.Married
211911010	0.No	3.Partnered	1.Single
211911020	1.Yes	3.Partnered	1.Single
500755010	1.Yes	3.Partnered	1.Single
500755020	0.No	3.Partnered	1.Single
502492010	0.No	3.Partnered	1.Single
502492011	1.Yes	3.Partnered	1.Single
502628010	1.Yes	3.Partnered	1.Single
502628020	0.No	3.Partnered	1.Single

HRS 2010			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R10MSTAT)	Marital Status for Tax Calculations (ITEM #4)
10577010	0.No	3.Partnered	1.Single
10577011	0.No	1.Married	2.Married
11802010	0.No	3.Partnered	1.Single
11802011	0.No	1.Married	2.Married
13598010	1.Yes	4.Separated	1.Single
13598020	1.Yes	4.Separated	1.Single
13817010	1.Yes	3.Partnered	1.Single
13817011	0.No	3.Partnered	1.Single
19425020	0.No	.M=Oth missing	1.Single
24539010	1.Yes	4.Separated	1.Single
24539011	1.Yes	4.Separated	1.Single
34756030	0.No	3.Partnered	1.Single
34756031	1.Yes	3.Partnered	1.Single
38916010	1.Yes	1.Married	2.Married
38916011	0.No	1.Married	2.Married
43151040	1.Yes	4.Separated	1.Single
43151041	1.Yes	4.Separated	1.Single
48474041	0.No	3.Partnered	1.Single
60317010	1.Yes	4.Separated	1.Single
60317040	1.Yes	4.Separated	1.Single
82033020	1.Yes	4.Separated	1.Single
82033022	1.Yes	4.Separated	1.Single
85379011	0.No	.M=Oth missing	1.Single
86553010	1.Yes	1.Married	2.Married
86553011	0.No	1.Married	2.Married
117310010	1.Yes	1.Married	2.Married
117310011	0.No	1.Married	2.Married
143535010	0.No	1.Married	2.Married
143535020	1.Yes	1.Married	2.Married
151372010	1.Yes	1.Married	2.Married
151372011	0.No	1.Married	2.Married
204342020	1.Yes	1.Married	2.Married
204342021	0.No	1.Married	2.Married
207594020	0.No	2.Married,spouse absent	2.Married
500018010	0.No	1.Married	2.Married
500018020	0.No	3.Partnered	1.Single
500253010	1.Yes	4.Separated	1.Single
500253020	1.Yes	4.Separated	1.Single
500261020	0.No	3.Partnered	1.Single
500261021	1.Yes	3.Partnered	1.Single
500347010	0.No	1.Married	2.Married
500347020	0.No	3.Partnered	1.Single
500617010	1.Yes	3.Partnered	1.Single
500617011	0.No	3.Partnered	1.Single
501163010	1.Yes	3.Partnered	1.Single
501163020	0.No	3.Partnered	1.Single
501696010	0.No	3.Partnered	1.Single
501696011	1.Yes	3.Partnered	1.Single
501743010	1.Yes	3.Partnered	1.Single
501743020	0.No	3.Partnered	1.Single
502125011	1.Yes	4.Separated	1.Single
502602010	0.No	3.Partnered	1.Single

HRS 2010			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R10MSTAT)	Marital Status for Tax Calculations (ITEM #4)
502628010	0.No	3.Partnered	1.Single
524681010	1.Yes	3.Partnered	1.Single
524681020	0.No	3.Partnered	1.Single
525383010	0.No	3.Partnered	1.Single
525383020	1.Yes	3.Partnered	1.Single
526215010	0.No	3.Partnered	1.Single
526215020	1.Yes	3.Partnered	1.Single
526451010	0.No	3.Partnered	1.Single
526451020	1.Yes	3.Partnered	1.Single
527402010	1.Yes	3.Partnered	1.Single
527402020	0.No	3.Partnered	1.Single
529540010	0.No	.M=Oth missing	1.Single
532523010	0.No	3.Partnered	1.Single
532523020	1.Yes	3.Partnered	1.Single
533067010	0.No	.M=Oth missing	1.Single
533122010	1.Yes	3.Partnered	1.Single
533122020	0.No	3.Partnered	1.Single
537396010	0.No	3.Partnered	1.Single
537396020	1.Yes	3.Partnered	1.Single
537437010	0.No	3.Partnered	1.Single
537437020	1.Yes	3.Partnered	1.Single
900280010	0.No	3.Partnered	1.Single
900280020	1.Yes	3.Partnered	1.Single
903171010	0.No	.M=Oth missing	1.Single
908733010	0.No	.M=Oth missing	1.Single
911368010	1.Yes	3.Partnered	1.Single
911368020	0.No	3.Partnered	1.Single
912094010	0.No	3.Partnered	1.Single
912094020	1.Yes	3.Partnered	1.Single
914727010	0.No	3.Partnered	1.Single
914727020	1.Yes	3.Partnered	1.Single
916415010	1.Yes	3.Partnered	1.Single
916415020	0.No	3.Partnered	1.Single
916835010	1.Yes	3.Partnered	1.Single
916835020	0.No	3.Partnered	1.Single

HRS 2012			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R11MSTAT)	Marital Status for Tax Calculations (ITEM #4)
20093041	0.No	3.Partnered	1.Single
35605010	0.No	3.Partnered	1.Single
35605011	0.No	1.Married	2.Married
54479010	0.No	.M=Oth missing	1.Single
56651010	0.No	3.Partnered	1.Single
56651011	0.No	1.Married	2.Married
56991031	0.No	3.Partnered	1.Single
58802010	0.No	3.Partnered	1.Single
62774020	1.Yes	3.Partnered	1.Single
62774030	0.No	3.Partnered	1.Single
71054020	1.Yes	1.Married	2.Married
71054030	0.No	1.Married	2.Married
86903020	0.No	3.Partnered	1.Single
86903021	1.Yes	3.Partnered	1.Single
87278020	0.No	3.Partnered	1.Single
87278021	0.No	1.Married	2.Married
90841030	1.Yes	4.Separated	1.Single
90841032	1.Yes	4.Separated	1.Single
143495010	0.No	3.Partnered	1.Single
143495020	1.Yes	3.Partnered	1.Single
178259010	1.Yes	1.Married	2.Married
178259012	0.No	1.Married	2.Married
180361010	0.No	3.Partnered	1.Single
180361011	1.Yes	3.Partnered	1.Single
203525021	0.No	2.Married,spouse absent	2.Married
211367010	1.Yes	4.Separated	1.Single
211367020	1.Yes	4.Separated	1.Single
211884021	0.No	3.Partnered	1.Single
500152020	0.No	1.Married	2.Married
500152021	0.No	3.Partnered	1.Single
500317010	0.No	1.Married	2.Married
500317020	0.No	3.Partnered	1.Single
500637020	1.Yes	1.Married	2.Married
500637021	0.No	1.Married	2.Married
500755010	1.Yes	3.Partnered	1.Single
500755020	0.No	3.Partnered	1.Single
501163010	1.Yes	3.Partnered	1.Single
501163020	0.No	3.Partnered	1.Single
501289010	1.Yes	1.Married	2.Married
501289011	0.No	1.Married	2.Married
501567020	0.No	3.Partnered	1.Single
501683020	0.No	3.Partnered	1.Single
501683021	1.Yes	3.Partnered	1.Single
501862010	1.Yes	3.Partnered	1.Single
501862011	0.No	3.Partnered	1.Single
501879010	1.Yes	3.Partnered	1.Single
501879011	0.No	3.Partnered	1.Single
502312020	0.No	2.Married,spouse absent	2.Married
502407011	0.No	3.Partnered	1.Single
502706020	0.No	3.Partnered	1.Single
502706021	1.Yes	3.Partnered	1.Single
521993020	0.No	3.Partnered	1.Single

HRS 2012			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R11MSTAT)	Marital Status for Tax Calculations (ITEM #4)
523065010	1.Yes	4.Separated	1.Single
523065020	1.Yes	4.Separated	1.Single
523906010	0.No	3.Partnered	1.Single
523906020	1.Yes	3.Partnered	1.Single
524681010	1.Yes	3.Partnered	1.Single
524681020	0.No	3.Partnered	1.Single
525383010	1.Yes	3.Partnered	1.Single
525383020	0.No	3.Partnered	1.Single
527175010	0.No	3.Partnered	1.Single
527175020	1.Yes	3.Partnered	1.Single
528585020	0.No	.M=Oth missing	1.Single
529887020	0.No	2.Married,spouse absent	2.Married
531337010	0.No	3.Partnered	1.Single
531337020	1.Yes	3.Partnered	1.Single
533122010	1.Yes	3.Partnered	1.Single
533122020	0.No	3.Partnered	1.Single
900280010	0.No	3.Partnered	1.Single
900280020	1.Yes	3.Partnered	1.Single
900318010	1.Yes	1.Married	2.Married
900318020	0.No	1.Married	2.Married
901351020	1.Yes	1.Married	2.Married
901351021	0.No	1.Married	2.Married
901973010	1.Yes	3.Partnered	1.Single
901973020	0.No	3.Partnered	1.Single
902911020	0.No	2.Married,spouse absent	2.Married
904168010	0.No	1.Married	2.Married
904648020	1.Yes	1.Married	2.Married
904648021	0.No	1.Married	2.Married
906156010	1.Yes	1.Married	2.Married
906156011	0.No	1.Married	2.Married
910146010	0.No	3.Partnered	1.Single
910146020	1.Yes	3.Partnered	1.Single
910345010	1.Yes	3.Partnered	1.Single
910345020	0.No	3.Partnered	1.Single
911865020	1.Yes	1.Married	2.Married
911865021	0.No	1.Married	2.Married
914727010	1.Yes	3.Partnered	1.Single
914727020	0.No	3.Partnered	1.Single
915950010	1.Yes	4.Separated	1.Single
915950020	1.Yes	4.Separated	1.Single
916835010	1.Yes	3.Partnered	1.Single
916835020	0.No	3.Partnered	1.Single
917532020	0.No	.M=Oth missing	1.Single
918529010	1.Yes	4.Separated	1.Single
918529020	1.Yes	4.Separated	1.Single

HRS 2014			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R12MSTAT)	Marital Status for Tax Calculations (ITEM #4)
13817010	0.No	1.Married	2.Married
13817011	0.No	3.Partnered	1.Single
20221010	1.Yes	5.Divorced	1.Single
33493011	0.No	3.Partnered	1.Single
33566020	1.Yes	1.Married	2.Married
33566022	0.No	1.Married	2.Married
39505010	0.No	2.Married,spouse absent	2.Married
47132011	0.No	2.Married,spouse absent	2.Married
49263012	0.No	.M=Oth missing	1.Single
56651010	0.No	3.Partnered	1.Single
56651011	0.No	1.Married	2.Married
65172010	0.No	3.Partnered	1.Single
79505010	0.No	1.Married	2.Married
79505020	1.Yes	1.Married	2.Married
81975042	0.No	.M=Oth missing	1.Single
82038010	0.No	2.Married,spouse absent	2.Married
86903021	0.No	3.Partnered	1.Single
87694040	0.No	3.Partnered	1.Single
87694041	1.Yes	3.Partnered	1.Single
91304010	0.No	1.Married	2.Married
91304011	1.Yes	1.Married	2.Married
110163010	0.No	3.Partnered	1.Single
110163011	1.Yes	3.Partnered	1.Single
119475020	1.Yes	1.Married	2.Married
119475021	0.No	1.Married	2.Married
174863010	1.Yes	3.Partnered	1.Single
174863011	0.No	3.Partnered	1.Single
180361010	0.No	3.Partnered	1.Single
180361011	1.Yes	3.Partnered	1.Single
210974010	0.No	3.Partnered	1.Single
210974011	0.No	1.Married	2.Married
500071011	0.No	3.Partnered	1.Single
500464010	0.No	3.Partnered	1.Single
500464011	1.Yes	3.Partnered	1.Single
500755010	1.Yes	3.Partnered	1.Single
500755020	0.No	3.Partnered	1.Single
501163010	1.Yes	3.Partnered	1.Single
501163020	0.No	3.Partnered	1.Single
501426010	1.Yes	1.Married	2.Married
501426011	0.No	1.Married	2.Married
501567020	0.No	.M=Oth missing	1.Single
501683020	0.No	3.Partnered	1.Single
501683021	1.Yes	3.Partnered	1.Single
501743010	1.Yes	3.Partnered	1.Single
501743020	0.No	3.Partnered	1.Single
501833010	1.Yes	1.Married	2.Married
501833012	0.No	1.Married	2.Married
502068010	0.No	3.Partnered	1.Single
502068011	1.Yes	3.Partnered	1.Single
520098020	1.Yes	1.Married	2.Married
520098021	0.No	1.Married	2.Married
523342010	1.Yes	3.Partnered	1.Single

HRS 2014			
HHIDPN	Marital Status Changed	Original or Changed Marital Status (R12MSTAT)	Marital Status for Tax Calculations (ITEM #4)
523342020	0.No	3.Partnered	1.Single
524742010	1.Yes	3.Partnered	1.Single
524742020	0.No	3.Partnered	1.Single
524774010	0.No	3.Partnered	1.Single
524774020	0.No	1.Married	2.Married
526353010	0.No	2.Married,spouse absent	2.Married
526474010	0.No	3.Partnered	1.Single
526474020	1.Yes	3.Partnered	1.Single
527891010	0.No	1.Married	2.Married
527891020	1.Yes	1.Married	2.Married
527967020	0.No	3.Partnered	1.Single
528868010	0.No	3.Partnered	1.Single
528868011	0.No	1.Married	2.Married
533968010	1.Yes	3.Partnered	1.Single
533968020	0.No	3.Partnered	1.Single
535276010	1.Yes	3.Partnered	1.Single
535276020	0.No	3.Partnered	1.Single
540985010	0.No	3.Partnered	1.Single
540985020	0.No	1.Married	2.Married
900280010	0.No	3.Partnered	1.Single
900280020	1.Yes	3.Partnered	1.Single
901012010	1.Yes	3.Partnered	1.Single
901012011	0.No	3.Partnered	1.Single
902459010	0.No	3.Partnered	1.Single
902459020	0.No	1.Married	2.Married
903237010	0.No	2.Married,spouse absent	2.Married
904572020	0.No	2.Married,spouse absent	2.Married
910146010	0.No	3.Partnered	1.Single
910146020	1.Yes	3.Partnered	1.Single
910494010	0.No	3.Partnered	1.Single
910494020	1.Yes	3.Partnered	1.Single
913231010	0.No	3.Partnered	1.Single
913258010	0.No	3.Partnered	1.Single
914727010	1.Yes	3.Partnered	1.Single
914727020	0.No	3.Partnered	1.Single
914871010	0.No	3.Partnered	1.Single
915950010	1.Yes	1.Married	2.Married
915950020	0.No	1.Married	2.Married
916682010	1.Yes	1.Married	2.Married
916682011	0.No	1.Married	2.Married
917689010	0.No	3.Partnered	1.Single
917689020	1.Yes	3.Partnered	1.Single

Section B: IRA Withdrawals

In Version 1, we added total IRA withdrawals, specifically to Item #11 (Taxable Pensions and IRA Distributions) of the NBER-Internet TAXSIM calculator. We impute IRA withdrawals using the same methodology described in both Section 2 (Income and Wealth Imputations) of the RAND Detailed Imputations File 2014 (V2) Codebook, and Section 3 (Income and Wealth Imputations) of the RAND HRS Longitudinal File 2014 (V2) Codebook for imputing income. Determining the total IRA withdrawal amount, however, required some special considerations that are discussed below.

Question Structure

From Wave 5 forward, the IRA questions follow the same basic structure:

"Do you (or your husband/wife/partner) currently have any money or assets that are held in an Individual Retirement Account, that is, in an IRA or KEOGH account?"

"How many IRA or KEOGH accounts do you (and your husband/wife/partner) have?"

The following questions are then asked up to three times, depending on how many IRA or Keogh accounts are owned. Respondents are asked about the largest, followed by the next largest, and the third / all other IRA or Keogh accounts, if applicable.

"Are these / Is that yours or your [husband's/wife's/partner's]?"

"About how much (in total) is in this (these [other] IRA or KEOGH) account(s) at the present time?"

If the Respondent refuses or does not know the value, a series of unfolding bracket questions are asked. Later, Respondents are asked the following questions about IRA withdrawals:

"Have you (or your [husband/wife/partner]) withdrawn any money or received any payments from [this account/these accounts] since R's last interview / in the last two years?"

"Altogether, about how much money did you (or your [husband/wife/partner]) withdraw from [this account/these accounts] since R's last interview / in the last two years, (before taxes and other deductions)?"

If the Respondent refuses or does not know the value, a series of unfolding bracket questions are asked. Those who provide a continuous value are asked about the frequency of receipt, which includes the following response options:

1. IN TOTAL
3. MONTH
4. QUARTER
5. 6 MONTH
6. YEAR
7. OTHER (SPECIFY)
8. DK (Don't Know); NA (Not Ascertained)
9. RF (Refused)

Finally, Respondents are asked the following question: "Did you (or your [husband/wife/partner]) take out only the "minimum withdrawal option", that is, the amount required to avoid a tax penalty?"

Data Considerations (Pre-Imputation)

As part of the creation of the RAND HRS Detailed Imputations File, we impute ownership (and the associated amounts, if necessary) for up to three IRA or Keogh accounts. We use the cross-wave ownership imputations to determine whether Respondents "own" an IRA withdrawal, or whether ownership needs to be imputed. What is important to note here is that when preparing data for imputation, we create an imputation flag that indicates the kind of information that is available (i.e., ownership, brackets, and amounts). This flag has several categories, one of which is labeled "No Financial Respondent". For these Respondents, virtually nothing is known about their finances, so they go through a separate imputation process. Since we are using imputed IRA ownership data for everyone, any "No Financial Respondent" households have already been imputed. Therefore, the imputation flags for IRA withdrawals will not include a "No Financial Respondent" category. Rather, any cases that require ownership imputation will be flagged as "DK ownership", and go through the normal imputation process.

With regard to IRA withdrawal amounts, there are two groups of Respondents: those who provide a continuous amount, and those who do not provide a continuous amount, and are therefore asked the unfolding bracket questions. For bracket responders, the answers they provide presumably follow the question wording, and reflect the total amount they withdrew since they were last interviewed, or in the past two years (for new interviewees). For continuous responders, to determine the total amount withdrawn, the reported amount must be adjusted accordingly to take the frequency of receipt into consideration. For new interviewees, the time period is the past two years, or 24 months. For current interviewees, we first calculate the number of months since their last interview as:

$$\begin{aligned} &(\text{current interview year} - \text{previous interview year}) * 12 \\ &+ \\ &(\text{current interview month} - \text{previous interview month}) \end{aligned}$$

Then, to determine the number of times the amount was received, we do the following:

- 1 = 1. IN TOTAL
- $y = x$ = 3. MONTH
- $y = 1/3x$ = 4. QUARTER
- $y = 1/6x$ = 5. 6 MONTH
- $y = 1/12x$ = 6. YEAR
- 1 = 7. OTHER (SPECIFY)
- 1 = 8. DK (Don't Know); NA (Not Ascertained)
- 1 = 9. RF (Refused)
- 1 = (Missing)

Here, "y" = number of times the amount was received, and "x" = the number of months since the Respondent's previous interview. For new interviewees, we do the following:

- 1 = 1. IN TOTAL
- 24 = 3. MONTH
- 8 = 4. QUARTER
- 4 = 5. 6 MONTH
- 2 = 6. YEAR
- 1 = 7. OTHER (SPECIFY)
- 1 = 8. DK (Don't Know); NA (Not Ascertained)
- 1 = 9. RF (Refused)
- 1 = (Missing)

For all interviewees, responses of missing (.), 7, 8, and 9 to the "per" question are assumed to be "in total", since this is the modal response from Wave 5 forward. The reported amount is then multiplied by the number of times it was received, yielding the total amount withdrawn since the last interview, or in the past two years (for new interviewees).

Data Considerations (Post-Imputation)

The rules that govern IRA withdrawals are such that individuals who withdraw money from an IRA before age 59 ½ must pay an early withdrawal penalty. Once individuals reach age 59 ½, however, any amount can be withdrawn without having to pay this penalty. IRA distributions are not required until age 70 ½, at which point so-called required minimum distributions (RMD) must be taken. While individuals are instructed to calculate the RMD for each IRA account, the total amount can be taken from one or more accounts. If the RMD is not taken, a tax penalty of 50% is assessed on the amount that should have been withdrawn. With just a few exceptions, all IRA withdrawals are considered taxable income. While the HRS survey includes a number of questions about IRAs, we had to make several assumptions in order to calculate the RMD. These are discussed below.

Age 70 ½ Criterion

Individuals who turn 70 ½ years of age during the tax year have the option of taking their first distribution by April 1st of the following year. If they wait until that time, they will have one required distribution for the year they turned 70 ½ years of age, and another for the current year, which must be taken by December 31st. Both of these distributions will be included as income in their taxes for the current year. For simplicity, we ignore this option for individuals who turn 70 ½ years of age during the tax year, and assume they took the RMD in the year they turned 70 ½ (if they reported taking the RMD), and not in the first 3 months of the following year.

Tax Penalty for Not Taking the RMD

The NBER-Internet TAXSIM calculator does not currently compute tax penalties for IRAs. Although we considered performing the calculation ourselves, we decided against doing so for a couple of reasons. First, the HRS survey does not sufficiently distinguish between different types of IRAs, such as Roth IRAs, where the rules for RMDs are inapplicable. Second, imputations and measurement error more broadly imply that there is some noise in the data, so any assessments of whether someone has withdrawn too little may be inaccurate as well. Therefore, we do not include any potential tax penalties in our measure of the tax liability.

Who Owns the IRA Account

As we do for IRA account balances, IRA withdrawals are imputed at the household level. However, for each IRA, there is a question about who owns the IRA account. Since we want to assign individual level income for TAXSIM wherever we can, we use the answers to these questions to allocate the amounts accordingly, creating distinct sets of variables (i.e., ownership, brackets, and amounts) for both Respondents and their spouses or partners in the process. There are three response options:

- 1 = R'S ACCOUNT
- 2 = SPOUSE'S OR PARTNER'S ACCOUNT
- 3 = BOTH R'S & SPOUSE'S ACCOUNTS⁶

If a coupled Respondent reports having "more than 3" IRA accounts, the "who owns the IRA account" question for IRA #3 should equal "3" (BOTH R'S & SPOUSE'S ACCOUNTS).⁷ This is intended to capture the total value of any

⁶In Wave 5, a value of 3 = NOT ASKED FOR 4+ ACCOUNTS. We treat this response the same as BOTH R'S & SPOUSE'S ACCOUNTS.

⁷In Waves 10 and 11, there was a programming error that caused responses to the questions for IRA #1 to be stored in IRA #3. This occurred, specifically, for Respondents who gave responses of 8 (Don't Know) or 9 (Refused) to the "number of IRAs" question. Therefore, we moved their responses to IRA #1 prior to processing.

IRAs the Respondent and their spouse or partner own individually. In cases where the IRA account belongs to "both" the Respondent and their spouse or partner, we divide all reported or imputed amounts equally between them. Responses of "8" (Don't Know), "9" (Refused), or missing (.) are treated the same as a "1" (R'S ACCOUNT), since this is the modal response for each IRA in all waves.

Was the "Minimum Withdrawal Option" Taken

This question asks Respondents directly whether they took the RMD. We do not make any effort to fill responses of "8" (Don't Know), "9" (Refused), or missing (.) to this question. Rather, we use whatever information is provided. There are, however, a small percentage of individuals in each wave who are under the age of 70 ½, but still report taking the "minimum withdrawal option" to avoid a tax penalty. It could be that this question was unclear to these Respondents. Whatever the case, we simply ignore their answers, since they are under no obligation to take the RMD.

Calculating the RMD

Several pieces of information are required in order to calculate the RMD. These include: (1) marital status; (2) the age of the Respondent and their spouse (if applicable) during the tax year; (3) the life expectancy tables in IRS Publication 590 (or 590-B as of tax year 2014); and (4) the IRA balance(s) on December 31st of the year prior to when the RMD must be taken.

As stated in the codebook section for Item #4 (Marital Status), there are a small number of cases in each wave that either have missing marital statuses or, as is the case for some coupled households, conflicting marital statuses. These are described in the Appendix, Section A: Marital Status. There are also a small percentage of cases in each wave where the spouse or partner did not respond. For these, we assume that the marital status for both members of the couple is the same, since the number of marital status discrepancies that occur overall is relatively small.

There are two key age cutoffs that are useful for determining the RMD: whether the Respondent and/or their spouse (if applicable) turned 70 ½ years of age, or were greater than (or equal to) 71 years of age during the tax year. Similar to marital status, there are a small number of cases where the Respondent's age is unknown. For those whose marital status is defined as "married" (or "married, spouse absent"), we use the age given for the other member of the couple.⁸ In non-coupled households, the age of the Respondent is never missing. For couples, since the Financial Respondent is the one who answers questions regarding IRAs for everyone in the household, the spouse or partner's age is based on when the Financial Respondent was interviewed.

With regard to the life expectancy tables found in IRS Publication 590 (or 590-B as of tax year 2014), there are two that we use for the purpose of calculating the RMD: Table II (Joint Life and Last Survivor Expectancy), and Table III (Uniform Lifetime Table, or the Table for Determining Applicable Divisor for Minimum Distribution Incidental Benefit prior to tax year 2001). We examined these two tables for the tax years of interest (1999 - 2014), and found the figures to be the same from 1999 - 2001,⁹ and then change in 2002. As of tax year 2014, no updates have been made, so the figures are the same for tax years 2002 - 2014. To calculate the RMD, we use Table II if the IRA owner is "married" (or "married, spouse absent") and is more than ten years older than their spouse. Otherwise, we use Table III.

As previously stated, we have imputed IRA balances for up to three IRA or Keogh accounts. These balances are based on questions in the HRS survey that ask how much is in these accounts "at the present time". The RMD calculation, however, requires that we know the IRA balance(s) on December 31st of the year prior to when the RMD must be taken. Moreover, unlike many of the income questions in the HRS survey that ask about income received last calendar year, the questions about IRA withdrawals focus on the period since the last interview, or in the past two years (for new interviewees).

⁸In all cases where this was done, the Financial Respondent's age was used fill that of their non-responding spouse.

⁹For tax years 1999 - 2001, there are no figures in Table II for: (1) anyone < 35 years of age; (2) IRA owners age 93 - 115 with spouses who are age 35 - 54; or (3) spouses > 94 years of age. We, therefore, fill in these figures with information from IRA Publication 939 (General Rule for Pensions and Annuities), specifically Table VI (Ordinary Joint Life and Last Survivor Annuities Two Lives - Expected Return Multiples).

The one exception is the question asking whether the "minimum withdrawal option" was taken to avoid a tax penalty. Here, no time frame is specified. Since individuals who are required to take RMDs must do so each year, we assume that a "yes" answer to this question means that the RMD was taken last calendar year. To calculate the RMD for last calendar year, we do the following:

- 1). Assume the total of all IRA account balances at the end of year $T - 2 = X$; this is December 31st of the year prior to when the RMD must be taken.
- 2). Given a value of X , the RMD can be computed as, say, $R(X)$.
- 3). According to IRS Publication 590 (or 590-B as of tax year 2014), $R(X) = r * X$, where $r = 1 / \text{life expectancy factor}$ (from Table II or Table III).
- 4). Therefore, at the end of the previous calendar year, the balance is $X - R(X) = X - r * X = (1 - r) * X$. If they do the same this year, we can reasonably assume they do it at the end of the year, so the current balance is $Y = (1 - r) * X$.
- 5). We have the total of all IRA account balances "at the present time", either reported or imputed. So, we have a value of Y and r , and can compute X as a result. From this we can compute R .
- 6). Specifically, the total RMD is $(r / (1 - r)) * Y$.

Evaluating the RMD

We first create the following summary measures for IRA withdrawals,¹⁰ and convert the resulting values to reflect amounts received last calendar year:

$$A = (\text{Sum of all continuous values (reported and imputed)} / \# \text{ months since the last interview}) * 12$$

$$L = (\text{Sum of all continuous and lower bracket values (reported)}^{11} / \# \text{ months since the last interview}) * 12.$$

$$H = (\text{Sum of all continuous and upper bracket values (reported)}^6 / \# \text{ months since the last interview}) * 12.$$

To evaluate the RMD, and assign the total withdrawal amount (TOTW) for both the Respondent and their spouse or partner (if applicable), we use the following rules:

For those who made no withdrawals:

$$\text{TOTW} = 0$$

For those who are $\geq 70 \frac{1}{2}$ years of age, and reported taking the RMD for one or more IRAs:

$$\text{if } (L \leq \text{RMD} \leq H) \text{ then TOTW} = \text{RMD}$$

otherwise

$$\text{if } \text{RMD} > H \text{ then TOTW} = H \text{ (which is closest to the RMD)}$$

otherwise

$$\text{if } \text{RMD} < L \text{ then TOTW} = L \text{ (which is closest to the RMD)}$$

¹⁰For the spouse or partner versions of these measures, the denominator is the number of months since the *Financial Respondent's* last interview, since the Financial Respondent is the one who answers the IRA questions for everyone in the household.

¹¹Respondents who are imputed to "own" an IRA withdrawal are considered bracket responders with an open-ended bracket of greater than zero dollars.

For everyone else:

TOTW = A

Section C: Medicare Part B and Part D Premiums

To determine both whether, and for how many months, Part B and/or Part D premiums were deducted from Social Security income in the last calendar year (LCY), we developed several rules that incorporate information from the RAND HRS Fat Files, the RAND HRS Detailed Imputations File, and the RAND HRS Longitudinal File. Central to these rules is when people become eligible for Medicare, which is generally 65 years of age. However, people can become eligible sooner, as is the case for those who have been receiving SSDI for more than 24 months. To address this requirement, we assume that anyone who received SSDI for all 12 months in the last calendar year (and meets the other criteria described below) had Part B and/or Part D premiums deducted from their Social Security income. Otherwise, we assume these premiums were deducted only if individuals were 65 years of age (or more) in the last calendar year. The rules are as follows:

1). First, flag Respondents who meet the minimum criteria for whether Part B and/or Part D premiums should be added back to reported Social Security income:

a). Part B:

- Covered by Medicare Part B (G6240 (HRS 2000) / xN004 (HRS 2002 - 2014) = 1 (Yes)), **and**
- No Medicaid coverage in the last two years/since previous interview (G6241 (HRS 2000) / xN005 (HRS 2002 - 2014) = 5 (No)), **and**
- Received Social Security Retirement income ([R/S]wIOSS = 1 (Yes)) for at least one month in LCY ([R/S]wNSS > 0), **or**
- Received Social Security Disability income ([R/S]wIOSDI = 1 (Yes)) for at least one month in LCY ([R/S]wNSDI > 0)

b). Part D:

- Medicare Part D premium deducted from Social Security check (xN423 (HRS 2008 - 2010) = 1 (Yes)), **and**
- No Medicaid coverage in the last two years/since previous interview (xN005 (HRS 2008 - 2010) = 5 (No)), **and**
- Received Social Security Retirement income ([R/S]wIOSS = 1 (Yes)) for at least one month in LCY ([R/S]wNSS > 0), **or**
- Received Social Security Disability income ([R/S]wIOSDI = 1 (Yes)) for at least one month in LCY ([R/S]wNSDI > 0)

2). For Respondents who do not meet the above minimum criteria, do not add Part B and/or Part D premiums back to reported Social Security income

3). For Respondents who do meet the above minimum criteria, perform some additional checks:

a). Part B and Part D (same criteria):

- IF received Social Security Retirement income LCY ([R/S]wIOSS = 1 (Yes)):
 - ⇒ IF not 65 years of age in LCY, do not add premiums back to reported Social Security income
 - ⇒ ELSE IF 65 years of age (or more) in LCY, do add premiums back to reported Social Security income
- ELSE IF received Social Security Disability income LCY ([R/S]wIOSDI = 1 (Yes)):
 - ⇒ IF # of months received Social Security Disability income LCY = 12 ([R/S]wNSDI = 12), do add premiums back to reported Social Security income
 - ⇒ ELSE IF # of months received Social Security Disability income LCY < 12 ([R/S]wNSDI < 12):
 - ▷ IF not 65 years of age in LCY, do not add premiums back to reported Social Security income

▷ ELSE IF 65 years of age (or more) in LCY, do add premiums back to reported Social Security income

4). Finally, for Respondents where Part B and/or Part D premiums will be added back to reported Social Security income, determine the # of months deductions were made:

a). Part B and Part D (same criteria):

- IF received Social Security Retirement income LCY ([R/S]wIOSS = 1 (Yes)):

⇒ # of months deductions were made = minimum of the # of months received Social Security Retirement income LCY ([R/S]wNSS) and the # of months the Respondent was 65 years of age (or more) in LCY

(i.e., premiums can only have been deducted from Social Security Retirement income in those months the Respondent was receiving this income and was 65 years of age or more)

- ELSE IF received Social Security Disability income LCY ([R/S]wIOSDI = 1 (Yes)):

⇒ IF # of months received Social Security Disability income LCY = 12 ([R/S]wNSDI = 12):

▷ # of months deductions were made = 12

⇒ ELSE IF # of months received Social Security Disability income LCY < 12 ([R/S]wNSDI < 12):

▷ # of months deductions were made = minimum of the # of months received Social Security Disability income LCY ([R/S]wNSDI) and the # of months the Respondent was 65 years of age (or more) in LCY

(i.e., premiums can only have been deducted from Social Security Disability income in those months the Respondent was receiving this income and was 65 years of age or more)